



**Notice of Regular Meeting**

California Exposition & State Fair

Meeting of the Board of Directors

To Be Held

**Friday, October 31, 2008 at 8:30 a.m.**

**In the Administration Building Boardroom**

California State Fairgrounds

1600 Exposition Blvd.,

Sacramento, California 95815

Marko Mlikotin, Chair

Amparo Pérez-Cook, Vice Chair

Kathy Nakase, Director

Marilyn Hendrickson, Director

Cornelius L. Gallagher, Director

Bert Johnson, Director

Paul F. Stacey, Director

Rex Hime, Director

Steve Beneto, Director

Gil Albiani, Director

Richard Cuneo, Director

**EX-OFFICIO MEMBERS**

Senator Darrell Steinberg

Assembly Member Dave Jones

294 days to the California State Fair

This notice is also available on the Internet at: [www.calexpo.com](http://www.calexpo.com)

**Mission Statement**

The California Exposition & State Fair mission is to create a State Fair experience reflecting California including its industries, agriculture, diversity of its people, traditions and trends shaping its future-supported by year-round events.

**Policy Statement**

The Board shall serve as the policy-making body for the California Exposition & State Fair and shall have full responsibility for the year-round management and operation of all facilities of the California Exposition & State Fair.

California Exposition & State Fair

P.O. Box 15649 \* Sacramento, CA 95852-1649 State of California \* Arnold Schwarzenegger, Governor

## **Public Comment**

Any member of the public wishing to address the Board on any matter listed for consideration on this agenda shall fill out a Speaker's Form and provide it to the Board's Recording Secretary. All speakers will be recognized by the Chair and be allowed a maximum of three minutes to address the Board at the time the agenda item is being considered by the Board. If you wish to address the Board on a matter not listed on the agenda, you have that right. If you wish to exercise that right, please fill out a speaker's form and provide it to the Board's Recording Secretary. You will be allowed a maximum of three minutes to address the Board during the Public Comment item on the agenda.

## **AGENDA**

### **1. CALL TO ORDER**

All matters noticed on this agenda, in any category, may be considered for action as listed. Any items not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the Chair.

### **2. PLEDGE OF ALLEGIANCE**

### **3. ROLL CALL AND DIRECTORS ABSENT**

### **4. INTRODUCTION OF GUESTS & STAFF**

### **5. MINUTES OF MEETING**

- a. Board Retreat Meeting Minutes of September 25, 2008
- b. Board Meeting Minutes of September 26, 2008

### **6. COMMITTEE AND STAFF REPORTS**

- a. State Fair, Agriculture & Marketing Staff Reports – (SF 1-14)
- b. Horse Racing Staff Reports
- c. Operations & Planning Staff Reports – (OP 1-2)
- d. Executive Committee Report – Chair Mlikotin
- e. Real Estate Committee Report – Director Hime

**7. FINANCIAL REPORTS**

- a. Monthly Financial Statements for September 2008
- b. Purchases/Contracts Requiring Board Approval
- c. Purchases/Contracts Requiring Board Notification
- d. Accounts Receivable Report

**8. CONSIDERATION OF ACTION FOR PROPOSED 2009 BUDGET**

**9. CONSENT CALENDAR**

- a. Review for Approval Ratification of Staff Goals for 2009 (CC 1)
- b. Review for Approval Staff Recommendation of the 2009 State Fair Operating Dates of August 21 through September 7, 2009 (18 days)

**10. CORRESPONDENCE**

**11. UNFINISHED BUSINESS**

- a. Update on Arena Negotiations with the NBA (UB 1)
  - 1. The Real Estate Committee of the Board will review the status of the negotiations concerning a Proposed Project for the Development of a New Integrated Fairgrounds, Sports, and Entertainment and Mixed Use Complex at Cal Expo
  - 2. The Board will also Consider a Recommendation by the Real Estate Committee to Extend the Letter of Understanding with the NBA Until the Completion of the Economic Analysis of a Conceptual Plan

**12. NEW BUSINESS**

- a. Review and Recommend Approval of Changes to the Policy & Procedures Manual (NB 1-18)
  - 1. Accounts Payable Policy (NB 1)
  - 2. Equal Employment Opportunity Policy Statement (NB 2-6)
  - 3. Sexual Harassment Policy (NB 7-13)
  - 4. Telework Program Policy (NB 14-18)
  - 5. Animal Welfare Practices (NB 51-52)
  - 6. Computer Usage Policy
- b. Review for Approval Advertising Services Request for Proposal (RFP) (NB 19-42)

### **13. ELECTION OF OFFICERS**

- a. Report of Nominating Committee – Director Kathy Nakase and Director Corny Gallagher
  - 1. Office of Chair
  - 2. Office of Vice Chair
  - 3. Office of Secretary-Treasurer/General Manager

### **14. MATTERS OF INFORMATION**

- a. Publics' Comments
- b. Directors' Comments
- c. Manager's Comments
- d. Next Board Meeting – Friday, December 12, 2008
- e. Other, if any

Date of Notice:       October 20, 2008

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in any Cal Expo Board, Committee or any Advisory meetings, or in connection with other Cal Expo Activities, may request assistance at the Cal Expo Administration Building Offices, 1600 Exposition Boulevard, or by calling 916-263-3247, during normal business hours. Requests should be made one week in advance whenever possible.

### **Proposed Goals for 2009**

1. Finish the fiscal year with a positive fund balance.
2. Continue to promote and enforce a zero tolerance policy on unruly and illegal behavior through the continued cooperation and support of the Sacramento Police and Sheriff's Department, District Attorney's Office and the California Highway Patrol. Expand the surveillance system to the West Gate.
3. Create a midway wristband promotion sold on line in advance of opening day.
4. Encourage public/private partnerships and reach out to competing events such as festivals and concerts to use the fairgrounds year round, including Fair time.
5. Increase the number of Thoroughbred racing days and utilize the grandstand for concerts and special events on non-racing days during the Fair.
6. Promote opening weekend attendance with strong programmatic elements and heavy promotion.
7. Develop an advance sales discount and fundraising program which appeals to schools, community organizations and the public at large, to increase overall awareness and paid attendance.
8. Create new and innovative fair programs to reach non-Fair goers.
9. Develop a 3-5 year business plan which provides for annual increases in State Fair paid attendance and growth in the interim events program.
10. Develop a long term land use plan which provides income for capital improvements.
11. Explore changes to Cal Expo's governance structure for greater operational flexibility.
12. Support the State's Green Initiative by reducing Cal Expo's carbon footprint and greenhouse gas emissions.
13. Defend our space.

State of California

California Exposition & State Fair  
1600 Exposition Boulevard  
Sacramento, CA 95815  
Tel: (916) 263-3061  
Fax: (916) 274-0438

**MEMORANDUM**

**Date:** October 20, 2008

**To:** Board of Directors  
California Exposition & State Fair

**Via:** Norbert J. Bartosik, General Manager/CEO  
California Exposition & State Fair

**From:** Real Estate Committee  
California Exposition & State Fair

**Subject:** Board Report

Cal Expo and the NBA are finalizing efforts on a Conceptual Plan for the proposed development of a new fairgrounds, sports, and entertainment and mixed use complex at Cal Expo. An Economic Analysis is about to begin which will be the basis for future decisions by the NBA and Cal Expo. The Economic Analysis, among other things, will provide a market and financial analysis for a new fairgrounds, Arena and the mixed use project.

On May 21, 2008, Cal Expo and the NBA entered into a Letter of Understanding (copy attached) that in part sets out an exclusive 180 day Discussion Period to mutually agree on a Conceptual Plan, and if such mutual agreement is reached, to negotiate a mutually acceptable Definitive Agreement providing for implementation of the proposed project. The 180 day Discussion Period expires on November 21, 2008.

While good progress is being made and the parties are pleased with the effort, an extension of the 180 Discussion Period would be prudent to complete an Economic Analysis. It is the Real Estate Committee's Recommendation that the Board approve an extension of the Letter of Understanding to complete the Economic Analysis.

State of California

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1600 Exposition Boulevard  
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Tel: (916) 263-3061  
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## MEMORANDUM

**Date:** October 16, 2008  
**To:** Board of Directors  
California Exposition & State Fair  
**From:** Norbert J. Bartosik, General Manager/CEO  
California Exposition & State Fair  
**Subject:** Revision to Policy & Procedures Manual

The following revision is to **Section 3 – 3.5.1.1 – Accounts Payable:**

***Current:***

Checks made payable to an employee for payment other than travel reimbursement, shall be signed by two of the following three persons:

General Manager (GM)  
Deputy General Manager (DGM)  
Accounting and Finance Manager (AFM)

Should the check be payable to the GM, DGM and AFM shall sign the check. (Adopted by the Board September 28, 2007)

***Proposed:***

Checks made payable to an employee for payment other than travel reimbursement, shall be signed by two of the following three persons:

General Manager (GM)  
Deputy General Manager (DGM)  
Accounting and Finance Manager (AFM)

Should the check be payable to the GM, **DGM or the AFM, then the other two shall sign.**

**CALIFORNIA EXPOSITION & STATE FAIR  
EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT**

**POLICY**

It is the policy of the California Exposition & State Fair (Cal Expo) to provide equal employment opportunity to all. Cal Expo strives to maintain a skilled workforce that mirrors the talents and demographics of the region's labor force. The Equal Employment Opportunity (EEO) plan is the foundation to create a workforce that reflects the rich diversity of the public we serve. Cal Expo is committed to providing a workplace where all individuals are treated with respect and professionalism. Consistent with this commitment, it is the policy Cal Expo to provide equal employment opportunity for all employees and applicants for employment, and to hire employees on the basis of merit and other job-related factors without regard to race, color, national origin, ancestry, sex, religion, marital status, age, disability, medical condition, pregnancy, childbirth and related medical conditions, sexual orientation, veteran status, or political affiliation, or any other basis protected by State or federal law or local ordinance (this includes a perception that a person has any of these characteristics or that the person is associated with a person who has or is perceived to have any of these characteristics).

**AUTHORITY**

- Title VII of the Civil Rights Act of 1964
- Americans With Disabilities Act
- Age Discrimination in Employment Act
- Fair Employment and Housing Act
- State Personnel Board Rule and Policies

The above authorities:

- Prohibit discrimination in all aspects of employment including hiring, termination and terms and conditions.
- Prohibit harassment of employees or applicants and requires employers to take all reasonable steps to prevent harassment from occurring.
- Require that all employers provide information to each of their employees describing the forms of discrimination and sexual harassment, its illegality, the internal and external complaint processes and legal remedies.
- Require employers to reasonably accommodate employees or job applicants with disabilities in order to enable them to perform the essential functions of the job.
- Require employers to provide leaves of up to four months to employees disabled because of pregnancy or childbirth.
- Require an employer to provide reasonable accommodations requested by an employee, with the advice of her health care provider, related to her pregnancy, childbirth, or related medical conditions.



- Require employers to allow eligible employees to take up to 12 weeks leave in a calendar year for the birth of a child, the placement of a child for adoption or foster care, for an employee's own serious health condition, or to care for a parent, spouse, or child with a serious health condition.
- Prohibit retaliation against any person who has filed a complaint, participated in an investigation or opposed any prohibited activity.

Conduct that may not rise to the level of unlawful discrimination, harassment or retaliation in violation of Title VII of the Civil Rights Act of 1964 or the California Fair Employment and Housing Act may still constitute discourteous, disrespectful, or inappropriate behavior.

Cal Expo is dedicated to ensuring the fulfillment of this policy with respect to all aspects of employment, including recruiting, hiring, placement, promotion, transfer, adverse action, demotion, termination, pay and other forms of compensation, training, and general treatment during employment.

Because all forms of harassment and discrimination are unprofessional and disrespectful, and may damage an individual's career and well being, Cal Expo will strictly enforce this policy. To the extent that non-Cal Expo employees, including but not limited to volunteers, applicants for employment, contractors, guests/visitors, and other third parties, exhibit the above behaviors, Cal Expo will apply the principles of this policy. In addition, Cal Expo will take whatever action is necessary to implement consequences for violations of this policy by non-Cal Expo employees.

### **CONDUCT THAT VIOLATES THE EQUAL EMPLOYMENT OPPORTUNITY POLICY**

An employee can be found to be in violation of this policy if his or her conduct discriminates against or harasses a coworker based on inclusion in a protected group as described above.

Prohibited discriminatory or harassing behaviors that violate this policy include, but are not limited to, the following:

- Verbal conduct, such as using derogatory terms or telling discriminatory jokes.
- Visual conduct such as displaying objects, cartoons, pictures, emails, posters, etc., of a derogatory or discriminatory nature.
- Posting, sending, or downloading derogatory or demeaning materials in any form via electronic mail or the Internet.
- Denial of reasonable accommodation for religious purposes.
- Failure to reasonably accommodate a qualified individual with a disability.
- Treatment of any individual differently including but not limited to, excluding that individual by giving preferential treatment to another, on any basis protected by State, federal, or local ordinances.
- Giving preferential treatment to an individual associated with a particular religious affiliation or any other basis protected by State or federal law or local ordinance.
- Any touching, assault, or battery of a sexual nature (see the California Exposition & State Fair Sexual Harassment Policy).

- Following or stalking a coworker, making harassing telephone calls to a coworker, or sending harassing correspondence to an individual by any means, including, but not limited to, the use of public or private mail, interoffice mail, facsimile, or computer email.
- Prohibited retaliation includes, but is not limited to, taking any negative employment action against or harassment of an employee or applicant, because he or she made a charge, testified, assisted, or participated in an investigation, proceeding or hearing relating to conduct reasonably believed to violate this policy or to constitute discrimination or harassment; or otherwise opposed conduct prohibited by this policy.

## **EMPLOYEE AND SUPERVISOR/MANAGER RESPONSIBILITIES AND CONSEQUENCES**

All Cal Expo employees are expected to adhere to the EEO Policy and attend required training. Employees are strongly encouraged to report any violations of the policy so Cal Expo may take appropriate corrective action to remedy the situation. Employees who believe they have witnessed or been the victim of conduct that violates the policy should report the incident immediately. Failure to utilize Cal Expo's internal procedures to report violations of the EEO Policy may defeat an individual's subsequent claims.

Refer to the California Exposition & State Fair Sexual Harassment Policy for more detailed information about employee and supervisor/manager responsibilities and consequences.

## **EMPLOYEE RIGHTS**

All employees are assured of the following rights with regard to complaints of discrimination.

1. The right to file a discrimination complaint, freedom from influence to refrain from filing a complaint, and freedom from reprisal for filing a complaint.
2. The right to a reasonable amount of work time to make an informal presentation of a complaint to a supervisor, manager or the EEO/HR Manager. Consistent with immediate needs, this right shall not be reduced or delayed by any supervisor.
3. The right to be assisted by a representative of their own choosing at all stages of the process.
4. The right to keep their complaint confidential until:
  - a. Such time as they give the EEO/HR Manager permission to do otherwise in order to bring the complaint for remedy;
  - b. Such time as a formal written complaint is filed with the EEO/HR Manager;
  - c. Such time as appropriate action must be taken to resolve the situation; or
  - d. In cases of sexual harassment, the complainant should be aware that confidentiality cannot be assured because of the legal obligation to take immediate and corrective action regardless of the employee's wishes (see California Exposition & State Fair Sexual Harassment Policy).

5. The right to a full, impartial, and prompt investigation by a trained departmental discrimination complaint investigator.
6. The right to appeal the Department's decision to the State Personnel Board (SPB).
7. The right to file complaints concurrently with the Equal Employment Opportunity Commission, the Department of Fair Employment and Housing, or other appropriate State and federal compliance agencies, or to file a civil action in the appropriate court.
8. The right to appeal to the SPB if the employee has not received a response from Cal Expo within 180 days from the date they filed their complaint.

## **DISCRIMINATION COMPLAINTS**

### **INFORMAL COMPLAINT**

If an employee believes that a policy violation has occurred he or she should (unless he or she is filing a formal complaint) make an informal report of the violation to his or her supervisor, any other Cal Expo supervisor or manager, and/or the EEO/HR Manager. The individual to whom the violation is reported will take immediate steps to assist the employee in resolving the immediate need, to prevent any further violations, and to ensure appropriate consequences for the violation(s).

**Note:** Although it may be helpful, an employee is not required to confront the person(s) engaged in the conduct believed to violate this policy at any time before or after filing a complaint.

### **FORMAL COMPLAINTS**

If an employee is not satisfied with the results of the informal process or chooses to bypass the informal process, a formal discrimination complaint must be filed in writing with or by calling the EEO/HR Manager ((916) 263-4839).

No employee is required to contact his or her direct supervisor to report conduct believed to be in violation of this policy. An individual seeking to report a violation of this policy may utilize any of the above listed options.

## **EMPLOYEE ASSISTANCE PROGRAM**

The Employee Assistance Program (EAP) is available to all employees. The EAP offers valuable assistance in dealing with issues related to discrimination, inappropriate conduct, sexual harassment, personal issues, etc., that might adversely impact their work and personal lives. Interested employees should contact the EAP at (866) 327-4762; TDD (800) 327-0801.

**POLICY IMPLEMENTATION**

This policy is effective immediately. It will be available on Cal Expo's website and Intranet, bulletin boards, from supervisors and managers, and from the Personnel Office.

The Personnel Office will provide a copy of the policy to each new employee at the time he or she completes employment documents.

Supervisors and managers are to provide a copy to each employee annually and review the policy with staff regularly throughout the year.

Questions regarding this policy should be directed to the EEO/HR Manager in the Personnel Office, (916) 263-4839.

Rev. 10/2008

# **CALIFORNIA EXPOSITION & STATE FAIR SEXUAL HARASSMENT POLICY**

## **POLICY**

The California Exposition & State Fair (Cal Expo) is committed to providing a work environment where all individuals are treated with respect, dignity and that is free from all types of discrimination, including sexual harassment. In compliance with federal, state and local laws, and consistent with the Cal Expo Equal Employment Opportunity Policy, Cal Expo strictly prohibits harassment of any employee, applicant for employment, volunteer, guest/visitor, contractor, stakeholder, etc., in any form based on race, color, religion, national origin, sex, age, disability, pregnancy, childbirth or related medical conditions, marital status, sexual orientation, or any other basis protected by federal, state or local law or ordinance. This policy applies to all employees regardless of job title. Further, this policy applies to the work place and any location that can be reasonably regarded as an extension of the workplace such as any off-site social or business function, or any location where Cal Expo business is being conducted or represented.

To the extent that non-Cal Expo employees, including, but not limited to, volunteers, applicants for employment, contractors, guests/visitors, and third parties, engage in the prohibited behavior, Cal Expo will enforce the principles of this policy and, to the extent possible, take necessary action to implement consequences for violation of this policy.

This policy may be violated even if the conduct is limited to one act, does not rise to the level of violation of state or federal law, and/or may or may not contribute to a hostile work environment. An employee found to have violated the provisions of this policy may be subject to appropriate corrective and/or disciplinary action, up to and including termination.

## **AUTHORITY**

- Section 703 of Title VII of the Civil Rights Act of 1964;
- Guidelines of the Equal Employment Opportunity Commission (EEOC);
- California Department of Fair Employment and Housing (DFEH) Act (Government Code Section 12940, subdivision [i]); and
- State Personnel Board Rules and Policy.

## **DEFINITION**

The EEOC defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

The California DFEH defines sexual harassment as unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature.

These definitions include many forms of offensive behavior and include gender-based harassment of a person of the same sex as the harasser. The following is a partial list of violations:

- Unwanted sexual advances
- Offering employment benefits in exchange for sexual favors
- Making or threatening reprisals after a negative response to sexual advances
- Visual conduct: leering, making sexual gestures, displaying of suggestive objects or pictures, emails, cartoon, posters, etc.
- Verbal conduct: making or using derogatory comments, epithets, slurs, and jokes
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations
- Physical conduct: touching, assault, impeding or blocking movements

Sexual harassment can occur in a variety of circumstances, including but not limited to the following:

- The victim as well as the harasser may be a woman or a man. The victim does not have to be of the opposite sex.
- The harasser can be the victim's supervisor, an agent of the employer, a supervisor in another area, a co-worker, or a non-employee.
- The victim does not have to be the person harassed but could be anyone affected by the offensive conduct (third party sexual harassment/discrimination).
- The harasser's conduct must be unwelcome.

## **EMPLOYEE RESPONSIBILITIES**

Each Cal Expo employee has an obligation to assist in creating a professional and respectful work environment. All employees are required to:

1. Adhere to this policy;
2. Refrain from engaging in, condoning or tolerating conduct that violates this policy;
3. Cooperate in an investigation or proceeding regarding an alleged violation of this policy;
4. Attend sexual harassment training as mandated by the General Manager or his/her designee;
5. Review this policy and seek assistance from a supervisor or the EEO/HR Manager if the employee does not understand any of the provisions in this policy;
6. Maintain confidentiality and not discuss any information involving an alleged violation of this policy except with a personal representative, an individual who is

- authorized to inquire about or investigate the allegations, or individuals on a “need-to-know” basis;
7. Refrain from engaging in any retaliatory conduct against an individual who has reported an incident or behavior that may be in violation of this policy or has participated as a witness in an investigation or administrative proceeding.

Employees should report known or observed incidents or behavior that may be in violation of this policy to their supervisor, to any other supervisory or managerial employee, or the EEO/HR Manager.

## **CONSEQUENCES FOR EMPLOYEES**

An employee may be subject to corrective or disciplinary action, up to and including termination, when it has been determined that an employee has violated this policy whether or not the conduct violates State or federal law. In addition, an employee determined by a court of law to have violated State or federal law may be held personally liable for his/her conduct. An employee found to have violated this policy may not receive legal representation at Cal Expo’s expense if named as an individual defendant in a lawsuit.

An employee will not be disciplined or retaliated against for reporting information, participating in an investigation or administrative proceeding, or filing a complaint in good faith.

## **SUPERVISOR/MANAGER RESPONSIBILITIES**

For purposes of this policy, “supervisor/manager” includes employees in designated supervisory, managerial and exempt positions.

Supervisors and managers are responsible for maintaining professional standards that promote a work environment free from sexual discrimination, harassment, unprofessional, inappropriate and/or disrespectful conduct of a sexual nature. This includes closely scrutinizing their individual actions to ensure compliance with this policy. Further, supervisors and managers must make themselves available and create a work environment that provides employees with opportunities for open communication to discuss potential violations of this policy. No influence may be used to dissuade an employee from airing a complaint.

Supervisors and Managers shall:

1. Know, adhere to, and enforce this policy;
2. Exhibit professional conduct on a daily basis consistent with the intent of this policy to provide a work environment free from sexual harassment;
3. Take proactive measures to prevent conduct in violation of this policy;
4. Be considered “on notice” of conduct that may violate this policy by personal observation of the conduct or verbal or written notification from an individual of the conduct;

5. Take prompt and appropriate action to stop the conduct regardless of how, when, or where the information is presented to the supervisor/manager, and report known or observed incidents or behavior that may be in violation of this policy to his or her supervisor/manager, to another supervisor, or to the EEO/HR Manager;
6. Monitor the workplace to ensure that an individual who has reported an incident or behavior or has participated as a witness in an investigation or administrative inquiry is not subject to any retaliation;
7. Ensure that employees under his or her supervision have attended mandated training, received a copy of this policy, and understand the contents of this policy; and
8. Review the contents of this policy with his or her employees as directed by the General Manager or his or her designee.

### **CONSEQUENCES FOR SUPERVISORS AND MANAGERS**

Supervisors, managers and exempt employees may be held personally liable and subject to corrective or disciplinary action if he or she *knew or should have known* of conduct that may violate this policy and do nothing to stop, prevent and/or report such conduct. Ignorance of such conduct is not necessarily an acceptable defense for inaction.

Supervisors and managers may be subject to appropriate corrective or disciplinary action, up to and including dismissal, for his or her conduct that has been determined by Cal Expo to violate this policy whether or not the alleged conduct violates state or federal law. In addition, a supervisor or manager determined by a court of law to have violated state or federal law may be held personally liable for his or her conduct. Supervisors and managers found to have violated this policy may not receive legal representation at Cal Expo's expense if named as an individual defendant in a lawsuit.

### **ALL EMPLOYEES' RESPONSIBILITIES**

1. It is helpful, but not required, for the recipient of the offensive conduct to inform the harasser directly that the conduct is unwelcome, offensive and/or inappropriate, and that the behavior must stop. Once that is done and if the harassment continues, or if the recipient of the offensive conduct does not wish to confront the harasser, the recipient should notify his or her supervisor, management, or the EEO/HR Manager of the conduct.
2. Employees who believe they have been sexually harassed should not be frightened or intimidated by the offender's title, gender, power, or personality.
3. Employees must consider whether their conduct is being perceived as harassment. Employees who are informed that their conduct is perceived by others to be harassment must, whether or not they consider it to be so, immediately cease the offensive behavior or conduct and ensure that it does not occur again.



## **EMPLOYEE RIGHTS**

All Employees are entitled to the following:

1. The right to a discrimination and sexual harassment-free work environment;
2. The right to an informal, confidential presentation of a complaint;
3. The right to a full, impartial and prompt investigation;
4. The right to a timely decision from the appointing power after full consideration of all relevant facts and circumstances;
5. The right to be represented by a person of their choosing at all steps of the process;
6. The right to seek review of the appointing power's decision with the State Personnel Board;
7. The right to be free from reprisals after filing a complaint.

## **REPORTING SEXUAL HARASSMENT**

Individuals who believe they have been sexually harassed are encouraged to bring the matter to the attention of their supervisor, any other Cal Expo supervisor or manager, or the EEO/HR Manager.

Supervisors/managers receiving complaints or observing incidents of sexual harassment must immediately take appropriate action and are encouraged to seek assistance from the EEO/HR Manager. Employees, managers and supervisors are strongly encouraged to seek early assistance with any situation that they perceive has the potential of becoming a sexual harassment case.

In addition to filing a complaint with Cal Expo, employees, applicants for employment, visitors/guests, contractors, volunteers, etc., may file a complaint, either separately or concurrently, with the Equal Employment Opportunity Commission (EEOC) and/or the Department of Fair Employment and Housing (DFEH). If the employee disagrees with Cal Expo's response to their complaint the complainant may then file a complaint with the State Personnel Board.

Complaints must be filed within the time frames identified below:

- Cal Expo – within 365 days of the alleged incident(s);
- EEOC – within 300 days of the last alleged incident(s) ([www.eeoc.gov](http://www.eeoc.gov));
- DFEH – within 365 days of the last alleged incident(s) ([www.dfeh.ca.gov](http://www.dfeh.ca.gov));
- SPB - within 30 days after Cal Expo's response ([www.spb.ca.gov](http://www.spb.ca.gov)).

## **RETALIATION/REPRISAL PROHIBITION**

This policy prohibits retaliation of any kind against individuals who file discrimination or sexual harassment charges or who assist or otherwise participate in an investigation. An employee bringing a sexual harassment complaint, or assisting or participating in the investigation of such a complaint will not be adversely affected in the terms and

conditions of employment, nor discriminated against or discharged because of the complaint. If after a thorough investigation, retaliation is found to have occurred, appropriate formal disciplinary action will be taken.

### **CONFIDENTIALITY**

Cal Expo recognizes that confidentiality is important, but cannot guarantee confidentiality where it conflicts with the obligation to conduct a prompt and thorough investigation, take corrective action, etc. Cal Expo will act with discretion during the investigatory process and confidentiality will be maintained to the extent practical and appropriate under the circumstances. Further, any individual taking part in any of the procedures under this policy will not reveal any information that they learn, discuss, or otherwise contribute during the course of the investigation or administrative inquiry with anyone unless sharing information has been cleared by the EEO/HR Manager.

### **EMPLOYEE ASSISTANCE PROGRAM**

The Employee Assistance Program (EAP) is available to all employees. The EAP offers valuable assistance in dealing with issues related to discrimination, inappropriate conduct, sexual harassment, personal issues, etc., that might adversely impact their work and personal lives. Interested employees should contact the EAP at (866) 327-4762; TDD (800) 327-0801.

### **POLICY IMPLEMENTATION**

This policy is effective immediately. It will be available on Cal Expo's website and Intranet, from supervisors and managers, and from the Personnel Office.

The Personnel Office will provide a copy of the policy to each new employee at the time he or she completes employment documents.

Supervisors and managers are to provide a copy to each employee annually and review the policy with staff regularly throughout the year.

Each employee who receives a copy of the policy must complete, and supervisors/managers must ensure completion of, the Certification of Understanding – Sexual Harassment Policy. The certification form will be maintained in the employees' Official Personnel Files in the Personnel Office.

Questions regarding this policy should be directed to the EEO/HR Manager in the Personnel Office, (916) 263-4839.

Rev. Oct. 2008

## **CALIFORNIA EXPOSITION & STATE FAIR**

### **CERTIFICATION OF UNDERSTANDING SEXUAL HARASSMENT POLICY**

By signing below I certify that I have received and read the California Exposition & State Fair Sexual Harassment Policy, that I understand what unlawful sexual harassment is, and the procedure to follow if any issues involving sexual harassment arise. I also understand that this certification will remain in my Official Personnel File.

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Employee: Print Name

---

Employee Signature

Date

New 10/2008

## **CALIFORNIA EXPOSITION & STATE FAIR TELEWORK PROGRAM**

Telework is a program that substitutes the daily commute to and from work and allows employees to work from home or another remote worksite on a regular, routine and scheduled basis. Under this program the work is moved to the worker instead of moving the worker to the work. This formal Telework Program differs from occasional and sporadic work at home instances in that the participating employee will work remotely on a regular and long term basis.

### **POLICY**

The California Exposition & State Fair (Cal Expo) allows telework on a case-by-case basis. This policy recognizes the societal, management, and personal benefits available through a carefully planned and managed Teleworking program. While telework has many benefits, there are also potential problems that can be mitigated by careful planning and evaluation of each potential teleworker request, work assignments, work product, etc.

Government Code sections 14200-14203 authorizes every state agency to incorporate telework as a work option. Memoranda of Understanding between the State of California and various employee organizations also allow for telework programs.

All managers, supervisors, and teleworkers are required to be familiar with the contents of this policy.

### **DEFINITION**

Telework is an alternate work arrangement between an individual employee and his or her supervisor. It is a management tool – not a benefit or right – and an alternative method for meeting the needs of the organization. Supervisors and managers retain the same discretion they have over any other assignment. An employee's participation in the program is voluntary and there is no automatic right to telework. Cal Expo cannot require that an employee telework.

Telework is not a substitute for dependent care. The employee must certify that adequate alternate dependent care arrangements have been made. Dependents present too many distractions for successful home work and successful participation in the program.

Telework is not an option for all jobs or all employees. It is only feasible for those tasks within a job assignment which are amenable, in whole or in part, to being performed away from the main office, and for employees whose past performance and ability to work independently meet acceptable standards.

## **TELEWORK COORDINATOR**

The Human Resources Manager will serve as the Telework Coordinator. The coordinator will oversee and manage the Telework Program, including compliance with policies, procedures, memoranda of understanding, guidelines, etc. The Coordinator will be the primary contact and representative of Cal Expo management with respect to telework employees, other agencies, and the public.

## **SELECTION**

Telework requests require prior approval of the General Manager or his or her designee. No employee's request for telework shall be unreasonably denied. Approval of requests shall not be arbitrary or based solely on seniority, but shall be based on a determination of the requirements and needs of Cal Expo, other telework participants within the department, the actual work being performed, an assessment of the employee's ability to function in an unstructured work environment, the employee's past performance, etc. The availability/cost of computer and other resources necessary for a telework assignment may impact approval/disapproval and/or the timing of implementation. Selection criteria may also include reasonable accommodation provisions for permanently and temporarily disabled employees, and displaced employees. Due to the nature of the duties, clerical support staff is generally not eligible to participate in the telework program.

Upon request by the employee, a denial and the reason for denial shall be provided to the employee in writing.

## **SCHEDULING**

Telework schedules shall be established for no more than three (3) days per week of remote work. An employee may only telework full work days.

Teleworkers must maintain regular contact with supervisors and co-workers. Office needs take precedence over telework days. A telework day will be canceled by a supervisor if an employee is needed in the office on a scheduled telework day or when the employee is required to attend meetings, conferences, etc., on a regularly scheduled telework day.

## **HOURS OF WORK AND OVERTIME**

All work schedules are discretionary and require approval of the General Manager or his or her designee. Teleworkers must be available by phone during the core business hours of 8:00 a.m. to noon and 1:00 p.m. to 5:00 p.m. Participants are required to check and respond to their office voice mail and email at least four times a day. Any alternate work schedule (e.g., flextime, 9/8/80, etc.) may be approved for an individual teleworker as long as the work schedule is consistent with the requirements of the employee's work week group, the provisions of the employee's collective bargaining agreement, and as applied to other employees within the individual department.

Overtime and call back time must be authorized by management in accordance with Cal Expo policies and procedures, the provisions of the employee's collective bargaining agreement, and the employee's work week group. Cash compensation or compensatory time off will be determined based on Cal Expo policy and the provisions of the applicable collective bargaining agreement.

As with any work schedule, temporary telework assignments (two weeks or less) or changes in established telework schedules may be made at management's discretion, with approval from the General Manager or his or her designee. Such temporary assignments may be made to meet management needs or to accommodate an employee's request (e.g., convalescence, parental leave, temporary assignment, etc.). Temporary assignments extending beyond two (2) weeks require advance approval by the General Manager or his or her designee.

## **CONFIDENTIAL AND SENSITIVE INFORMATION**

As with all state employees, teleworkers are expected to adhere to all the rules and regulations contained in the State Administrative Manual and Cal Expo's policies and procedures regarding security and confidentiality for the computer, its data and information, and any other information handled in the course of work. Teleworkers must fully comply with the provisions of the Cal Expo Computer Use Policy.

## **HEALTH AND SAFETY**

The opportunity to participate in a home telework program is offered only with the understanding that it is the employee's responsibility to ensure a proper work environment is maintained (e.g., dependent care arrangements are made so as not to interfere with the work, personal disruptions such as non-business telephone calls and visitors are kept to a minimum, etc.) and that the work environment is safe and ergonomically correct. Failure to maintain a safe and proper work environment, as determined by management, provides cause for an employee's immediate termination from Cal Expo's Telework Program.

The primary responsibility for personal safety, no matter where an individual is employed, lies with each individual employee. The teleworker is expected to set up and maintain his or her telework location in a safe, unobstructed, and clean fashion. The employee must follow basic safety precautions such as:

- avoiding obstructions in the work area,
- eliminating trip and fall hazards,
- ensuring proper lighting, ventilation and furniture, and
- setting up the work site in an ergonomically correct fashion.

Home offices must be clean and free of obstructions, must be in compliance with all building codes and be free of hazardous materials. Telework employees are responsible for ensuring and certifying that their homes comply with these health and safety requirements. Management may deny an employee the opportunity to telework or may

rescind a telework agreement based on safety of the home or suspected hazardous materials in the home facility. Management may also have the home office inspected for compliance with health and safety requirements. Such inspections will be by appointment only.

Workers' compensation laws and rules apply if an employee incurs a work-related injury while teleworking. Employees must immediately notify their supervisors and complete all necessary and/or management requested documents regarding the injury.

## **MAINTENANCE AND REPAIR OF EQUIPMENT**

Maintenance and repair of state owned equipment issued to teleworkers will be the responsibility of Cal Expo. In the event of equipment malfunction, the teleworker must immediately notify his or her supervisor. If repair or replacement of equipment will take some time, the teleworker may be asked to report to the office until the equipment is usable/available.

Repairs to teleworker-owned equipment are the employee's responsibility.

## **EMPLOYEE RIGHTS**

The rights or benefits provided under the employee's collective bargaining agreement are not impacted by the implementation of teleworking programs.

Employees retain the right to meet with their representative (e.g., job steward, etc.) in accordance with collective bargaining agreement provisions. Such meetings will take place at the Cal Expo office and within the job steward's area of primary responsibility, not at the employee's home office, and as provided in the collective bargaining agreement.

## **TERMINATION OF PARTICIPATION**

Teleworking is a voluntary agreement between the employee and Cal Expo and management may terminate an employee's participation in the program without cause, at any time, with advance written notice. Whenever feasible, such notice will be provided at least thirty (30) calendar days in advance. Termination of an employee's participation for cause may be immediate and does not require advance written notice. The employee may also request to terminate participation, without cause, at any time. Management will make arrangements for the employee to begin working at the office as quickly as possible, but no later than thirty (30) calendar days after notification by the employee.

Telework opportunities are based on program requirements as determined by management. Therefore, employees previously participating in a telework assignment are not assured of a continued telework assignment when returning from a leave of absence, after a job transfer, etc.

## **MISCELLANEOUS**

Procedures for the California Exposition & State Fair Telework Program are detailed under separate cover.

DRAFT





State of California  
California Exposition & State Fair

REQUEST FOR PROPOSALS  
for  
ADVERTISING SERVICES  
CSF-08-999

October 17, 2008

You are invited to review and respond to this Request for Proposals (RFP) entitled Advertising Services, CSF-08-999.

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at [www.ols.dgs.ca.gov/standard+language](http://www.ols.dgs.ca.gov/standard+language). If you do not have Internet access, a hard copy can be provided by contacting the person listed below.

A **mandatory** pre-proposal conference will be held at **11:00 a.m. on Wednesday, November 5, 2008**, at the address noted below. Any interested parties must send at least one representative to the conference in order to be eligible to submit a response to this RFP.

Sealed proposals will be received as shown below:

Deadline for submission: **4:00 p.m., Wednesday, November 19, 2008**

Location: Administration Building  
California Exposition and State Fair  
1600 Exposition Boulevard  
Sacramento, CA 95815

Should you have any questions or need any additional information, please contact Erica Manuel at [emanuel@calexpo.com](mailto:emanuel@calexpo.com).

Please note that no *verbal* information given will be binding upon Cal Expo unless such information is issued in writing as an official addendum.

Thank you for your interest in the California Exposition & State Fair.

*Jan Rissa*

Jan Rissa  
Contracts Manager

CALIFORNIA EXPOSITION & STATE FAIR

P.O. Box 15649 • Sacramento, CA 95852-1649

State of California • Arnold Schwarzenegger, Governor  
NB 19

## **A. Background**

The California State Fair began in 1854 as a promotional vehicle to enhance California's reputation for agriculture and major industries. Today, California is by far the national leader in agricultural exports and is the sixth largest exporter in the world. Each year thousands of California residents compete for a variety of awards in agriculture, home, art, and technological competitions. Contemporary aspects such as top name entertainment, the midway, thrill rides, and special feature exhibits add substantially to the overall family entertainment value. The California State Fair attracts hundreds of thousands of attendees each year and is the most popular summer-time event for families in northern California. Fair dates for 2009 are August 21 through September 7.

Cal Expo is an independent, self-sufficient state government agency that does not receive any funding from the general fund. The organization has an annual operating budget of more than \$30 million and has an estimated economic impact of more than \$250 million on the Sacramento region.

### Cal Expo's Mission Statement

1. Mission

Create a State Fair experience reflecting California including its industries, agriculture, diversity of its people, traditions and trends shaping its future-supported by year-round events.

2. Vision

Become the premier event facility in northern California.

3. Principals

- Provide a clean and safe environment
- Provide excellent customer service, value and wholesome quality programming
- Nurture tradition, innovation, education and creativity with an eye to the future
- Remain fiscally responsible
- Continuous facility improvement
- Have Big Fun!

Please visit [www.bigfun.org](http://www.bigfun.org) for more information about the California State Fair.

## **B. Marketing Objectives for the California State Fair**

The California State Fair is seeking to partner with an organization that has a keen understanding of northern California and the Sacramento market in particular. The majority of the State Fair's patrons reside within a 50 mile radius of Sacramento and it is imperative that the proposers demonstrate their proficiency in reaching the Sacramento consumer.

Proposers will be expected to develop a multi-faceted campaign that:

- Increases State Fair attendance (total attendance and paid attendance)
- Addresses the “Hierarchy of Needs” (as indicated in the 2006 Research findings)
- Reinforces State Fair branding
- Supports ongoing public relations efforts
- Addresses market competition
- Is unique, engaging & visually captivating (i.e., breaks through the clutter)
- Speaks to Fair loyalists and to new/inconsistent patrons
- Can be effectively communicated to various ages & cultures
- Is easy to understand

Proposers will be expected to develop a media strategy that:

- Maximizes budget
- Maximizes impressions
- Balances paid media with value-added elements
- Leverages traditional media and non-traditional (guerilla) tactics
- Is forward thinking
- Can be revised on short notice to address external pressures
- Supports sponsor commitments & other third- party relationships
- Supports Fair programming
- Supports attendance and revenue goals

### **C. Previous Campaigns**

Interested parties may view the winning response to the 2005 advertising RFP, as well as the State Fair advertising campaigns for the past three years. Such information may be viewed only at Cal Expo, by requesting an appointment at least 24 hours in advance. Appointments will be granted on a first-come first-serve basis and only during normal business hours. Please contact Erica Manuel at [emanuel@calexpo.com](mailto:emanuel@calexpo.com) to make an appointment.

### **D. Research & Demographics**

The California State Fair has commissioned a significant amount of qualitative and quantitative research in the past three to five years including exit surveys, focus groups, and phone surveys. Those findings are included for your reference. They include demographic information from the 2007 California State Fair as well as the findings from quantitative and qualitative research conducted in 2006. A ten-year State Fair attendance comparison spreadsheet is also included for your review.

### **E. Purpose and Scope of Services**

Contractor will provide full advertising services for the annual California State Fair for the period January 1, 2009, through December 31, 2011, with options by Cal Expo for one additional two (2)-year option. Services will include, but are not be limited to the following:

1. Advertising Plan: Development of the advertising campaign for the annual California State Fair. Advertising plan will be driven by fiscal status of Cal Expo; California State Fair theme, programs, and exhibits; and Cal Expo's vision and mission. The advertising plan will be mutually determined by Contractor and Cal Expo.
2. Market Research: Conduct and analyze market research as deemed appropriate by Cal Expo and Contractor on a year-to-year basis to help determine target markets, reach, delivery, and advertising effectiveness. Research will be analyzed each year to make strategy changes and plan media, creative, and the overall advertising plan.
3. Strategy: Develop a strategy intended to increase revenues and patronage in a cost-effective manner.
4. Production: Produce a full advertising campaign including, but not limited to TV, radio, print, outdoor, and internet, in both English and Spanish.
5. Graphic Design: Coordinate the production of all creative and design elements related to the campaign. Work closely with State Fair staff and graphic design consultants to maintain a consistent look and feel.
6. Collateral: Design collateral art including poster, T-shirt, button, and other items as deemed appropriate.
7. Web Site Theme Art/Design: Design web site theme art including preparation of yearly theme art for the use in web site applications. This will include application of color to black and white art and preparing all art in the proper form for placement by Cal Expo's webmaster on web site. Contractor may also be responsible for enhancing Cal Expo's online presence through myspace.com, YouTube, or other online entities.
8. Media Planning: Will include print, TV, radio, outdoor, internet, and other forms of measured media as suggested and deemed appropriate.
9. Media Buying: Will include evaluation of research, media plan, placement, payment to media at net rates, and yearly written analysis of the effectiveness of all media buys.
10. Public Relations: Contractor may be required to support Cal Expo's ongoing public relations objectives through strategic counsel, news generation, or other media relations activities as appropriate.
11. Multicultural Outreach: Contractor is required to develop and implement a campaign that expands outreach to culturally diverse communities in the region, including but not limited to Hispanic (primarily Mexican), Russian/Slavic, Hmong, African American, etc. Translation services may also be required.

12. Progress Reports, Advertising and Media Plan: Contractor is required to provide Cal Expo staff with ongoing progress and status reports, reports to the Board of Directors as requested, as well as a yearly advertising and media plan. All work and budgets must be approved in advance by Cal Expo representative.
13. Post Fair Recommendations and Recaps and Sponsorship Affidavits: Contractor is required to provide a yearly campaign and media analysis as well as post sponsorship media recaps with affidavits on any sponsor whose logo or company name has been utilized in the advertising campaign.
14. Communication: Contractor shall maintain close and continuous communications with Cal Expo staff and provide reports to the Board of Directors as requested.
15. Property: All artwork, music, media, and video footage provided under this agreement become and remain the property of Cal Expo.
16. Subcontractors: Contractor's use of subcontractors shall be subject to Cal Expo approval, which approval shall not be unreasonably withheld.
17. Budget: The Cal Expo advertising budget is set annually by the Board of Directors, generally at the December Board meeting. Budgeted funds depend largely on the annual fiscal status of the agency. The advertising budget for 2008 was approximately \$1.2 million. There is no guarantee of any set budget amount for each year. Contractor will present a budget for the advertising campaign each year for final approval by Cal Expo.

Total cost per year to Cal Expo is to include:

- a) Media at net rates to be billed directly by the agency.
  - b) Production costs billed as hard costs only with no hourly time and no agency mark-up.
  - c) Account management, media planning and buying, creative services, and administrative work.
  - d) All items included in the Scope of Work.
18. Term: The term of this agreement shall be January 1, 2009, through December 31, 2011. Cal Expo may, at its sole discretion, extend this agreement for one additional two (2)-year term.
  19. Cancellation: Either party may terminate this agreement for any reason within sixty (60) days after the closing date of the annual State Fair. Cancellations must be made in writing.

## **F. Minimum Qualifications for Proposers**

The proposer must demonstrate that it meets all of the following minimum qualifications to be considered responsive to this Request for Proposals. Failure to satisfy all of the minimum qualifications shall be cause for immediate rejection of the respondent's proposal.

1. Proposer must have a minimum of five (5) years in business.
2. At least two (2) of the proposed account team principals must have ten (10) or more years of relevant experience.
3. Proposer must have an office within 150 miles of Cal Expo.

## **G. Proposal Requirements and Information**

### **1. Key Action Dates**

<u>Event</u>	<u>Date</u>
Mandatory Pre-Proposal Conference	Wednesday, November 5, 2008, 11:00 a.m.
Final Date for Proposal Submission	Wednesday, November 19, 2008, 4:00 p.m.
Finalists Notification	Monday, December 1, 2008
Oral Interviews (mandatory for finalists)	Friday, December 5, 2008
Second Oral Interviews (if necessary)	Tuesday, December 9, 2008
Notice of Intent to Award	Friday, December 12, 2008

### **2. Required Proposal Content**

- a) Provide description of the nature of the proposer's services and activities. Note when the business was established, brief history, and location. Identify primary discipline of agency (advertising, public relations, interactive, etc.) Identify experience in fair/amusement/attraction/tourism, or other relevant categories. List the location(s) of the office(s) from which the primary work on the agreement would be performed.
- b) Provide work samples to demonstrate quality and experience tied to the fair/amusement/attraction/tourism categories.
- c) Provide references as requested on Attachment 3.

- d) Provide description of firm's strategic planning as it relates to achieving program objectives, purpose, and scope of services for this project. Include philosophy, objectives, advertising strategies, creative strategy, and media plan. The proposed strategies should be designed to support the possible 2009 State Fair theme of Wild West. (Proposers are welcome to use supporting taglines to enhance the campaign presentation. Possible taglines include "the Best of the West" and "Simply the Best," though other taglines that support the theme will also be accepted.) The media plan should reflect an annual budget of \$900,000 – \$1.1 million.
- e) Identify the individual on the proposer's account team who will manage the agreement work. Document overall experience in advertising accounts, including those events and/or venues similar to that of the California State Fair.
- f) Identify each member of the account team and key personnel who will manage/conduct the work. Identify the role each team member will serve, their title, where the individual is headquartered, and the percentage of the agency's total effort that will be provided by the individual. (Key personnel are defined as those people who will exercise a major management and administrative role on behalf of the proposer.)
- g) Provide résumés for each person identified above. Include education, experience, and expertise with pertinent information demonstrating qualifications for this RFP. Do not exceed two (2) pages per person.
- h) Provide description of any significant changes in the proposer's organization and staffing during the previous three (3) years.
- i) Provide certification that there is no conflict of interest between any existing contract, client relationships and the ability of the proposer to fully and vigorously represent California Exposition & State Fair. Client relationships that could potentially be a conflict of interest must be listed together with a discussion of how the proposer will resolve the potential conflict of interest.
- j) Provide the name and address of any professional fair/amusement/attraction/tourism related association for which the proposer is a member.
- k) Provide case histories of actual past campaigns developed by the proposer, with examples of the work and how success was measured. These case studies should demonstrate expertise in: (1) Fair/amusement/attraction/tourism campaigns; (2) effective application of market research for campaign development; and (3) media buying and planning capabilities.
- l) Provide the agency fee which will be charged for this agreement. Fee must be submitted in a percentage format. (See Attachment 4, Cost Proposal.)

- m) Provide agency's rate sheet that will be used in the event services are requested for events other than the California State Fair.
- n) Additional Information – Along with the mandatory requirements, the proposer may also include any other relevant information or pertinent exhibits.

3. Submission of Proposal

- a) Proposals should provide straightforward and concise descriptions of the proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal.
- b) All proposals must be submitted under **sealed** cover and sent to Cal Expo by dates and times shown in Section G, Proposal Requirements and Information, Item 1, Key Action Dates. Proposals received after this date and time will not be considered.
- c) A minimum of seven (7) copies of the proposal must be submitted.
- d) The original proposal must be marked "ORIGINAL COPY." All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.
- e) The proposal envelopes must be plainly marked with the RFP number and title, your firm name and address, and must be marked with "DO NOT OPEN," as shown in the following example:

Jan Risso  
Contracts Manager  
California Exposition & State Fair  
PO Box 15649  
Sacramento, CA 95852  
RFP # CSF-08-999  
Advertising Services  
**DO NOT OPEN**

If the proposal is made under a fictitious name or business title, the actual legal name of proposer must be provided.

Proposals not submitted under sealed cover and marked as indicated may be rejected.

- f) All proposals shall include the documents identified in Required Attachment Checklist (see Attachment 1). Proposals not including the proper "required



attachments” shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.

- g) Mail or deliver proposals to the following address:

U.S. Postal Service Deliveries

Jan Risso, Contracts Manager  
California Exposition & State Fair  
PO Box 15649  
Sacramento, CA 95852

Hand Deliveries

(UPS, Express Mail, Federal Express, etc.)  
Jan Risso, Contracts Manager  
California Exposition & State Fair  
1600 Exposition Blvd., Administration Bldg  
Sacramento, CA 95815

- h) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- i) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. Cal Expo may reject any or all proposals and may waive an immaterial deviation in a proposal. Cal Expo’s waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.
- j) Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to Cal Expo.
- k) An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Proposal/Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- l) A proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.
- m) A proposer may withdraw its proposal by submitting a written withdrawal request to Cal Expo, signed by the proposer or an authorized agent in accordance with paragraph g) above. A proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
- n) Cal Expo may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.

- o) Cal Expo reserves the right to reject all proposals. Cal Expo is not required to award an agreement.
- p) Before submitting a response to this solicitation, proposers should review, correct all errors and confirm compliance with the RFP requirements.
- q) Where applicable, proposer should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.
- r) More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.
- s) Cal Expo does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter proposal and will be rejected. The contract General Terms and Conditions are not negotiable.
- t) No oral understanding or agreement shall be binding on either party.

#### 4. Evaluation Process

- a) At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- b) Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the proposer, may be rejected.
- c) Cal Expo may, at its option, use information gained by conducting reference checks with references provided or from the individuals who have had contracts with the proposer. The proposer will be given the opportunity to respond to unfavorable information which has been acquired from references other than those provided by the proposer.
- d) Award, if made, will be to the highest scored responsible proposal.
- e) Written Proposal Evaluation

The proposals that meet the minimum qualifications will be evaluated and scored according to the criteria indicated below:

<b>Written Proposal Rating/Scoring Criteria</b>	<b>Maximum Possible Points</b>
<b>RELEVANT EXPERIENCE/DEMONSTRATED RESULTS OF FIRM</b> <ul style="list-style-type: none"> <li>• Experience with successfully developing and implementing related services (15 points)</li> <li>• Quality and relevance of work samples/experience (10 points)</li> <li>• Geographical expertise (10 points)</li> </ul>	35
<b>STRATEGIC PLANNING</b> <ul style="list-style-type: none"> <li>• Quality, creativity, points addressed in scope of work, and likelihood of achieving program objectives</li> </ul>	25
<b>QUALIFICATIONS OF PERSONNEL</b> <ul style="list-style-type: none"> <li>• Prior experience and how it relates to this project</li> </ul>	20
<b>COST EFFECTIVENESS</b> <ul style="list-style-type: none"> <li>• Maximum services are provided in relation to the fee charged and value of overall project.</li> </ul>	20
<b>TOTAL</b>	<b>100</b>

- f) The evaluation committee may, if they deem necessary, select certain proposers for oral interviews. Interviews apply only to the top finalist(s), as determined by the evaluation committee. This oral interview will allow finalists to demonstrate their understanding of the program objectives, and to articulate their capability to meet or exceed the requirements of this RFP.

The evaluation committee reserves the option of conducting the interview via teleconference or at another designated site.

The evaluation committee reserves the right to designate one or more members of the committee to perform the oral interviews, if needed, so that grading of oral interviews may be done by fewer than the entire committee.

If interviews are not required, the maximum number of points is 100. If interviews are deemed necessary, the maximum number of points is 150.

If a finalist cannot meet on the designated interview date, the evaluation committee reserves the right to disqualify the finalist as non-responsive.

The following criteria will be used for scoring the oral interview.

<b>Oral Interview Rating/Scoring Criteria</b>	<b>Maximum Possible Points</b>
Quality and completeness of answers regarding the proposed strategic plan.	10
Proposer's relevant experience	10
Quality of proposed strategies	20
Professionalism of personnel assigned to the account	10
<b>TOTAL</b>	<b>50</b>

5. Award and Protest

- a) Notice of the proposed award shall be posted in a public place in the office of California Exposition & State Fair, 1600 Exposition Boulevard, Sacramento, CA for five (5) working days prior to awarding the agreement.
- b) If any proposer, prior to the award of agreement, files a protest with Cal Expo and the Department of General Services, Office of Legal Services, 707 Third Street, 7<sup>th</sup> Floor, Suite 7-330, West Sacramento, CA 95605, on the grounds that the (protesting) proposer would have been awarded the contract had Cal Expo correctly applied the evaluation standard in the RFP, or if Cal Expo followed the evaluation and scoring methods in the RFP, the agreement shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that you submit any protest by certified or registered mail.
- c) Within five (5) days after filing the initial protest, the protesting proposer shall file with the Department of General Services, Office of Legal Services and Cal Expo a detailed statement specifying the grounds for the protest.
- d) Upon resolution of the protest and award of the agreement, Contractor must complete and submit to the awarding agency the Payee Data Record (STD 204), to determine if the Contractor is subject to state income tax withholding pursuant to California Revenue and Taxation Code sections 18662 and 26131. This form can be found on the Internet at [www.osp.dgs.ca.gov](http://www.osp.dgs.ca.gov) under the heading Forms Management Center. No payment shall be made unless a completed STD 204 has been returned to the awarding agency.
- e) Upon resolution of the protest and award of the agreement, Contractor must sign and submit to Cal Expo page one (1) of the Contractor Certification Clauses (CCC), which can be found on the Internet at [www.dgs.ca.gov/contracts](http://www.dgs.ca.gov/contracts).

6. Disposition of Proposals

- a) Upon proposal opening, all documents submitted in response to this RFP will become the property of Cal Expo and will be regarded as public records under the California Public Records Act (Government Code section 6250 et seq.) and subject to review by the public.
- b) Proposal packages may be returned only at the proposer's expense, unless such expense is waived by Cal Expo.

7. Agreement Execution and Performance

- a) Performance shall start not later than the express date set by Cal Expo and the Contractor, after all approvals have been obtained and the agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, Cal Expo, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to Cal Expo for the difference between Contractor's proposal price and the actual cost of performing work by another contractor.
- b) All performance under the agreement shall be completed on or before the termination date of the agreement.

**H. Preference Programs**

- 1. Small Business Preference: Section 14835, et seq. of the California Government Code requires that a five percent preference be given to bidders who qualify as a small business. The rules and regulations of this law, including the definition of a small business for the delivery of services, are contained in Title 2, California Administrative Code, Section 1896, et seq. A copy of the regulations is available upon request. To claim the small business preference, which may not exceed \$50,000 for any bid, your firm must have its principal place of business located in California, have a complete application (including proof of annual receipts) on file with the State Office of Small and Minority Business by 5:00 p.m. on the date bids are opened, and be verified by such office. Questions regarding the preference approval should be directed to that office at (916) 375-4940.
- 2. Disabled Veteran Enterprise Program (DVBE): This RFP includes the DVBE requirements. An explanation of the DVBE requirements can be found at the Internet website [www.pd.dgs.ca.gov/dvbe](http://www.pd.dgs.ca.gov/dvbe). Select "DVBE Resource Packet" under "DVBE Participation Program."

**I. Required Attachments**

Refer to the following pages for additional required attachments that are a part of this RFP. These attachments are in addition to the submission requirements listed in paragraph G.2 of this RFP.

ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

A complete proposal or proposal package will consist of the items identified below, along with other items requested in this RFP.

Complete this checklist to confirm the items in your proposal. Place a check mark or “X” next to each item that you are submitting to Cal Expo. For your proposal to be responsive, all required attachments must be returned.

<u>Attachment</u>	<u>Attachment Name/Description</u>
_____ Attachment 1	Required Attachment Check List
_____ Attachment 2	Proposal/Proposer Certification Sheet
_____ Attachment 3	Proposer References
_____ Attachment 4	Cost Proposal
_____ Attachment 5	DVBE Required Attachments

ATTACHMENT 2

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

- A. Place all required attachments behind this certification sheet.
- B. I have read and understand the DVBE Participation Requirements and have included documentation demonstrating that I have met the participation goals or have made a good faith effort.
- C. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

**An Unsigned Proposal/Proposer Certification Sheet  
May Be Cause For Rejection**

1. Company Name	2. Telephone Number (     )	2a. Fax Number (     )
3. Address		
Indicate your organization type: 4. <input type="checkbox"/> Sole Proprietorship           5. <input type="checkbox"/> Partnership           6. <input type="checkbox"/> Corporation		
Indicate the applicable employee and/or corporation number: 7. Federal Employee ID No. (FEIN)           8. California Corporation No.		
9. Indicate applicable license and/or certification information:		
10. Proposer's Name (Print)	11. Title	
12. Signature	13. Date	
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">           a. California Small Business            Yes <input type="checkbox"/> No <input type="checkbox"/>            If yes, enter certification number: _____         </div> <div style="width: 50%;">           b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/>            If yes, enter your service code below: _____         </div> </div>		
NOTE: A copy of your Certification is required to be included if either of the above items is Date application was submitted to OSBCR, if an application is pending:		



### Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the  
Bid/Bidder Certification Sheet by following the instructions below.

Item Numbers	Instructions
<b>1, 2, 2a, 3</b>	Must be completed. These items are self-explanatory.
<b>4</b>	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
<b>5</b>	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
<b>6</b>	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
<b>7</b>	Enter your federal employee tax identification number.
<b>8</b>	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
<b>9</b>	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
<b>10, 11, 12, 13</b>	Must be completed. These items are self-explanatory.
<b>14</b>	If certified as a California Small Business, place a check in the "Yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

ATTACHMENT 3

PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your bid to be rejected and deemed non-responsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract.

REFERENCE 1			
Name of Company			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2			
Name of Company			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3			
Name of Company			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 4

COST PROPOSAL

Company Name \_\_\_\_\_

Signature \_\_\_\_\_

Indicate the agency fee which will be charged for this agreement. **Fee must be submitted in a percentage format.**

Total cost per year to Cal Expo is to include:

- a. Media at net rates to be billed directly by the agency.
- b. Production costs billed as hard costs only with no hourly time and no agency mark-up.
- c. Account management, media planning and buying, creative services, and administrative work.
- d. All items included in the Scope of Work.

---

Agency Fee (percentage) \_\_\_\_\_ %

## **Sample Standard Agreement**

### **General Contract Provisions**

#### **General Terms and Conditions (GTC 307)**

1. **APPROVAL**: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. **AMENDMENT**: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. **ASSIGNMENT**: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. **AUDIT**: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. **INDEMNIFICATION**: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. **DISPUTES**: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. **TERMINATION FOR CAUSE**: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall

be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.  
  
Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time of the essence in this Agreement.
13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. **GOVERNING LAW:** This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. **ANTITRUST CLAIMS:** The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
  - a. The Government Code Chapter on Antitrust claims contains the following definitions:
    - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
    - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
  - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
  - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
  - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.
16. **CHILD SUPPORT COMPLIANCE ACT:** "For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
  - a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and

compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

- b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.”
17. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. **PRIORITY HIRING CONSIDERATIONS:** If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

### **Special Terms and Conditions**

1. **GENERAL LIABILITY INSURANCE:** At all times Contractor shall maintain at its own cost and expense commercial general liability insurance coverage with minimum limits of at least \$1,000,000 per occurrence combined single limit for bodily injury and property damage and cover damages for bodily injury, property damage, personal injury liability, and products and completed operations liability.

The general liability insurance coverage shall include the following provisions:

- a. State of California, California Exposition & State Fair, its agents, officers, directors, employees, and servants are made additional insured but only insofar as the operations under this agreement are concerned.
- b. The coverage will not be cancelled or reduced in coverage without 30 days prior written notice to Cal Expo.
- c. Cal Expo shall not be responsible for the payment of any premiums or assessments on the policy.
- d. Contractor shall submit insurance certificates to Cal Expo for approval by appropriate agencies prior to the commencement of operation on the premises. At least thirty (30) days prior to the expiration of any policy, a new insurance certificate with renewal information shall be filed with Cal Expo. Contractor shall furnish Cal Expo a certified copy of the policy within ten (10) days upon request.
- e. Certificate of Insurance and/or policy must cover for the term of the agreement including the period described as set-up and clean-up period, if any.

- f. Contractor agrees that the liability insurance herein provided shall be in effect at all times during the term of this agreement. In the event said insurance coverage expires at any time or times during the term of this agreement, Contractor agrees to provide the California Exposition & State Fair, PO Box 15649, Sacramento, CA 95852, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one year or the remainder of the term of this agreement. New Certificates of Insurance are subject to the approval of the California Exposition & State Fair and Contractor agrees that no activity by Contractor contemplated by this agreement be performed after the insurance expires and prior to the giving of such approval. In the event Contractor fails to keep in effect at all times during the term of this agreement the insurance coverage as herein provided, Cal Expo may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
2. WORKERS' COMPENSATION INSURANCE: All employees of Contractor shall be covered by workers' compensation insurance as required by law. Contractor shall have the right to act as a self-insurer after qualifying under the laws of the State of California and submitting a copy of their Certificate of Consent to Self-Insure to Cal Expo. The following requirements must be met:
  - a. Evidence of workers' compensation insurance shall be submitted to Cal Expo prior to commencement of term; or
  - b. Contractor shall execute and submit to Cal Expo an "Exemption from Workers' Compensation" form. This certification does not alter or affect compliance with the workers' compensation requirements in the Labor Code of the State of California.
3. POTENTIAL SUBCONTRACTORS: Nothing contained in this agreement or otherwise shall create any contractual relation between Cal Expo and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to Cal Expo for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from Cal Expo's obligation to make payments to the Contractor. As a result, Cal Expo shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
4. MEGAN'S LAW: All prospective employees 18 years and older are subject to a Megan's Law check prior to beginning employment. Prior to start of work, Contractor shall provide Cal Expo with a list of all employees and any subcontractors with access to the premises. All such employees will be checked in accordance with the Megan's Law Sex Offenders CD-ROM.



AGREEMENT NUMBER

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

**California Exposition & State Fair**

CONTRACTOR'S NAME

**Brian Honebein**

2. The term of this Agreement is: January 1, 2009 through December 31, 2013

3. The maximum amount of this Agreement is: **\$ 1,245,000.00** (Charge Code: 9412-17000-106 [2009: \$249,000; 2010: \$249,000; 2011: \$249,000; 2012: \$249,000; 2013: \$249,000])

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work 2 pages

Exhibit B – Budget Detail and Payment Provisions 2 pages

Exhibit C\* – General Terms and Conditions GTC 307

Check mark one item below as Exhibit D:

☒ Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement) 3 pages

☐ Exhibit - D\* Special Terms and Conditions

Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.  
These documents can be viewed at [www.ols.dgs.ca.gov/Standard+Language](http://www.ols.dgs.ca.gov/Standard+Language)

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

**CONTRACTOR**

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

**Brian Honebein**

BY (Authorized Signature)



DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

**Brian Honebein**

ADDRESS

2140 Forrest Street, Sacramento, CA 95815

**STATE OF CALIFORNIA**

AGENCY NAME

**California Exposition & State Fair**

BY (Authorized Signature)



DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

**Norbert J. Bartosik, General Manager/CEO**

ADDRESS

PO Box 15649, Sacramento, CA 95852

**California Department of General  
Services Use Only**

☐ Exempt per:

## **EXHIBIT A**

### **Scope of Work**

#### **1. Contractor's Performance Requirements**

- A. With the approval of California Exposition & State Fair (Cal Expo), Contractor agrees to develop, implement, sell, solicit, and service a sponsorship program to meet Cal Expo's objectives during the term of this agreement. Such duties shall include, but are not limited to, cold calling, in-person presentations, proposal generation, negotiating contract points, and contract management. In addition, Contractor shall assist Cal Expo staff in the creative development of potential events, exhibits, displays, or other attractions that would be desirable to prospective sponsors.
- B. Contractor shall prepare and submit a written monthly status report to Cal Expo concerning the ongoing development and implementation of Cal Expo's sponsorship program. Such report shall include as a minimum: (a) name, address, and telephone number of individuals and/or companies contacted; (b) status of the program for the month, to include all sponsorship agreements and the current level of committed sponsorship revenues; (c) list of completed sponsorship agreements, cost to Cal Expo and dollar benefit; (d) prospective sponsorship agreements detailing name of sponsor, dollar levels, costs, and potential closing date; (e) plans or objectives for future development and implementation of the program; and (f) Contractor's reimbursable and non-reimbursable expenses as it relates to the sponsorship program.
- C. Contractor's performance will be evaluated upon completion of the contract in accordance with Public Contracts Code sections 10367 and 10369.
- D. A final meeting shall be held between Contractor and Cal Expo management, at which time the Contractor shall present a comprehensive final report on his findings, conclusions, and recommendations regarding sponsorships.
- E. Contractor shall work with Cal Expo's project coordinator, Assistant General Manager, Marketing, as follows:
  - 1) All sponsorship packages must be approved by project coordinator prior to Contractor's offering them to potential sponsors.
  - 2) Project coordinator will advise Contractor as to changes in "benefit inventory" available for sponsorship.
  - 3) Cal Expo will prepare agreements with sponsors based on information provided by Contractor.

- 4) Cal Expo agrees to provide the promotional considerations to sponsors according to the terms of their agreements.
  - 5) Cal Expo shall provide a part-time seasonal employee to assist Contractor with servicing the sponsorship program. The person assigned to assist with servicing and the number of hours dedicated to this task shall be agreed upon by Cal Expo and Contractor.
- F. Contractor shall at all times in the performance of this agreement comply with all applicable laws. In addition, Contractor shall comply with the procedures, established by Cal Expo, entitled *The California Exposition & State Fair Marketing and Sponsorship Policies and Procedures*. A copy of said document is available at the Administration Office of Cal Expo. Cal Expo shall timely provide Contractor with any amendments to such procedures.
- G. Contractor shall not enter into an employment agreement or contract with a sponsor, sponsor agent, any affiliated company, or agency related to any sponsor of Cal Expo for a period of one year after termination of this agreement.
- H. Contractor shall file an annual Statement of Economic Interest required under the Political Reform Act and agrees to be subject to the Act's conflict of interest disqualification and disclosure requirements. Further, Contractor shall comply at all times in the performance of this agreement with Cal Expo's *Incompatibility Activities Statement* and the *Policy and Procedures Manual*.
- I. Contractor agrees that all work product, including, but not limited to, notes, designs, drawings, reports, memoranda, and all other tangible personal property of whatever nature produced in the performance of this agreement shall be the sole and exclusive property of Cal Expo; said work product shall be provided to Cal Expo upon request; and said work product shall not be shared with any outside party without the prior written consent of Cal Expo.
2. Term: The term of this agreement is January 1, 2009, through December 31, 2013. This agreement may be extended for one additional two-year term at the sole discretion of Cal Expo.
3. Non-Exclusive Agreement: It is understood by the parties that this agreement does not grant Contractor the exclusive right to develop, solicit, sell, or service sponsorships for Cal Expo. Cal Expo expressly reserves the right to retain other independent contractors or to pursue other potential options, including retaining other contractors, to meet its desired objective.

## EXHIBIT B

### **BUDGET DETAIL AND PAYMENT PROVISIONS**

#### **Invoicing and Payment**

1. Cal Expo shall pay Contractor a fee of \$129,000.00 each year during the term of this agreement. Such sum shall be payable at the rate of \$10,750.00 per month. Payment shall be made, in arrears, on the first business day of each month.
2. In addition to the payment set forth in paragraph 1.A, Cal Expo will pay Contractor an annual percentage commission on sponsorship revenues generated by Contractor, as defined below. Note: Different percentages shall apply to different portions of the total applicable revenue, as follows:

Total Annual Applicable Revenue	Percentage Commission Due Contractor
First \$1 million	-0-
That portion over \$1 million, up to \$1.5 million	3%
That portion over \$1.5 million, up to \$2 million	6%
That portion over \$2 million, up to \$3.5 million	9%
That portion over \$3.5 million	12%

Contractor agrees that at the end of each year during the term of this agreement, Cal Expo shall have sole discretion in determining the amount of sponsorship revenues subject to commission payment ("total annual applicable revenue") and the amount of commission payment due, if any. In making such determination, Cal Expo will consider, but is not limited to, its costs and expenses related to the development, implementation, and servicing of the program, pre-existing or historical sponsorship agreements, whether the sponsorship agreement and revenue, or the extent of which, is attributable to Contractor's efforts, value for in-kind contributions, and potential credits for qualified measured media buys. For the purposes of this agreement, a measured media buy is defined as advertising in print, radio, outdoor or television media which can provide audited verification of audience levels and ratings. To be included for consideration, Contractor must provide affidavits for all measured media buys. Measured media, trade, budget relieving in-kind, and in-kind contributions will be considered at the sole discretion of Cal Expo and the value of such shall be determined and agreed to in advance of executing the sponsorship agreement.

Further, in the event Contractor is entitled to a commission payment, Cal Expo shall pay such amount within 30 days following such determination.

3. Expenses
  - A. Cal Expo shall pay for the costs of printing and copying all documents and materials related to the development, implementation, and servicing of the sponsorship program.

- B. Contractor shall be responsible for any out-of-pocket expenses including, but not limited to travel, lodging, meals, and client hospitality in the process of securing or maintaining sponsors.
- C. Cal Expo will reimburse Contractor, at the prevailing State rates, if Cal Expo requires Contractor to attend any conferences or conventions as its representative.

4. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with section 927.

## EXHIBIT D

### **SPECIAL TERMS AND CONDITIONS**

1. **GENERAL LIABILITY INSURANCE:** At all times Contractor shall maintain at its own cost and expense commercial general liability insurance coverage with minimum limits of at least \$1,000,000 per occurrence combined single limit for bodily injury and property damage and cover damages for bodily injury, property damage, personal injury liability, and products and completed operations liability.

The general liability insurance coverage shall include the following provisions:

- a. State of California, California Exposition & State Fair, its agents, officers, directors, employees, and servants are made additional insured but only insofar as the operations under this agreement are concerned.
- b. The coverage will not be cancelled or reduced in coverage without 30 days prior written notice to Cal Expo.
- c. Cal Expo shall not be responsible for the payment of any premiums or assessments on the policy.
- d. Contractor shall submit insurance certificates to Cal Expo for approval by appropriate agencies prior to the commencement of operation on the premises. At least thirty (30) days prior to the expiration of any policy, a new insurance certificate with renewal information shall be filed with Cal Expo. Contractor shall furnish Cal Expo a certified copy of the policy within ten (10) days upon request.
- e. Certificate of Insurance and/or policy must cover for the term of the agreement including the period described as set-up and clean-up period, if any.
- f. Contractor agrees that the liability insurance herein provided shall be in effect at all times during the term of this agreement. In the event said insurance coverage expires at any time or times during the term of this agreement, Contractor agrees to provide the California Exposition & State Fair, PO Box 15649, Sacramento, CA 95852, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one year or the remainder of the term of this agreement. New Certificates of Insurance are subject to the approval of the California Exposition & State Fair and Contractor agrees that no activity by Contractor contemplated by this agreement be performed after the insurance expires and prior to the giving of such approval. In the event Contractor fails to keep in effect at all times during the term of this agreement the insurance coverage as herein provided, Cal Expo may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.

2. WORKERS' COMPENSATION INSURANCE: All employees of Contractor shall be covered by workers' compensation insurance as required by law. Contractor shall have the right to act as a self-insurer after qualifying under the laws of the State of California and submitting a copy of their Certificate of Consent to Self-Insure to Cal Expo. The following requirements must be met:
  - a. Evidence of workers' compensation insurance shall be submitted to Cal Expo prior to commencement of term; or
  - b. Contractor shall execute and submit to Cal Expo an "Exemption from Workers' Compensation" form. This certification does not alter or affect compliance with the workers' compensation requirements in the Labor Code of the State of California.
3. PROPERTY INSURANCE: At all times Contractor shall maintain at its own cost and expense all-risk property insurance coverage on the buildings, improvements, fixtures, furnishings, equipment and all other personal property, including supplies of the Contractor on the premises, on replacement of the property in event of loss.
4. AUTOMOBILE LIABILITY INSURANCE: At all times Contractor shall maintain at its own cost and expense automobile liability insurance coverage with limits not less than \$1,000,000 combined single limit per accident.
5. POTENTIAL SUBCONTRACTORS: Nothing contained in this agreement or otherwise shall create any contractual relation between Cal Expo and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to Cal Expo for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from Cal Expo's obligation to make payments to the Contractor. As a result, Cal Expo shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
6. MEGAN'S LAW: All prospective employees 18 years and older are subject to a Megan's Law check prior to beginning employment. Prior to start of work, Contractor shall provide Cal Expo with a list of all employees and any subcontractors with access to the premises. All such employees will be checked in accordance with the Megan's Law Sex Offenders CD-ROM.
7. TERMINATION
  - A. It is agreed that either party may terminate this agreement, without cause, by providing the other party with 60 days written notice.
  - B. In the event of termination under this paragraph, Contractor will be entitled to receive commission payments on sponsorship agreements in existence prior to termination of

this agreement for a period of one (1) year after termination. The amount of commission payment due and payment will be determined in accordance with Paragraph 1 of Exhibit B, except only the 3% commission rate shall be applied in the calculation regardless of the amount of sponsorship revenue.

- C. Notwithstanding paragraphs A and B above, Cal Expo may immediately terminate this agreement and be relieved of the payment of any consideration to Contractor should Contractor fail to perform or should Contractor breach any provision of this agreement. In the event of such termination, Cal Expo reserves the right to proceed with the sponsorship program and its sponsorship agreements in any manner deemed appropriate by Cal Expo. Any costs and/or losses incurred by Cal Expo associated with such termination shall be deducted from any amounts, if any, owed to Contractor under this agreement.



## **Animal Welfare Practices and Review**

### **October 20, 2008**

A meeting was held at Cal Expo on October 16, 2008 for the purpose of generally reviewing the Board's Animal Welfare Practices document. Those in attendance were: Curt Ransom, Humane Society of the United States; Dr. Jim Reynolds, U.C. Cooperative Extension; Virginia Handley, Animal Switchboard; Eric Mills, Action for Animals; Dr. Carolyn Stull, U.C. Davis, Veterinary Medicine Extension ; Dr Kent Fowler, CDFA, Michael Bradley, Cal Expo and Tomme Jo Dale , Cal Expo.

#### **Overview**

All members of the attendee group agreed that the current Animal Welfare Practices document is an appropriate and well written document for the fair's purposes. It provides excellent overview and direction. There are details missing but it was agreed these could be handled on a case by case basis with staff consulting with professionals and organizations within several disciplines.

The group was very appreciative of the meeting.

Further the group agreed that the fair's current practices for housing, handling and showcasing animals is well done and very credible.

#### **Specific items of concern were as follows:**

##### **Ransom, Mills, Handley:**

1. Re-establish Animal Welfare Task Force to meet regularly for the purpose of reviewing animal events.
2. Specific events of concern are any rodeo event not sectioned by PRCA (i.e.: Bull Poker, Mutton Bustin, Mechanized contraptions, Teeter Totter) as well as Elephant Rides, Cat, Bears and related shows.
3. Eric requested that all animal owners sign a waiver allowing a vet the Euthanize their animals automatically if seriously injured.

##### **Handley:**

1. Remove all organization names from the current Animal Practices document as it gives the impression that they are approving the document (The fair does not request approval from these groups. We do use them as a sounding board and for resources within a variety of disciplines)
2. Place a synthetic track at the race track for safety of the race horses regardless of cost as it should be the cost of doing business;
3. That the petting zoo animals have a rest area (they do and always have at our fair);
4. The Birthing center is a concern because these animals are giving birth in front of the public where it is stressful;
5. A Vet should always be on grounds (the fair makes arrangements through the University of California to have a full time veterinary representation 24 hours /day during the fair).
6. Animal practices should be made a part of all animal contracts (this is currently required at Cal Expo).

**Veterinarian's Stull, Reynolds and Fowler:**

1. Euthanasia: The automatic use of Euthanasia is wrong. The attending Veterinarian in consultation with the owner should make any of these types of decisions based on current medical advances and treatment options, and an appropriate exam that may not be possible on site. This is clearly the job of the veterinarian.
2. The list of organizations in the animal welfare handbook does give a great deal of credibility to the document and should remain.
3. The fair does have an excellent veterinarian program with outstanding coverage.
4. Keeping the rodeo section and Horse Racing section of the document broad in its scope is correct and appropriate.

**Conclusion:** With the consensus of the group being that the current document is appropriate and well written that the following be added to the existing document: “ All animal contractors/vendors of the fair must adhere to the Fair's Animal Welfare Practices ( and this document be made a part of any and all animal contracts ) and that this policy document of the board be updated annually with advisory suggestions being provided by the Board's Agricultural Advisory Council with annual input from members of the public at a Agricultural Advisory Council sub -committee meeting held once during the year.

## **IMPORTANT INFORMATION REGARDING OBTAINING AN EXTENSION OF CREDIT**

To help the Federal government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record certain information that identifies each person/entity who obtains an extension of credit from the institution.

When you obtain an extension of credit, we will ask for your name; street address; social security number, taxpayer identification number, or alien identification number as applicable; date of birth (individual applicants or sole proprietors only); and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying document.

## CREDIT AGREEMENT

### (LINE OF CREDIT)

This Agreement (the "Agreement") is made and entered into as of October 15, 2008, by and between BANK OF THE WEST (the "Bank") and CAL EXPO (the "Borrower"), on the terms and conditions that follow:

## SECTION

### 1

## DEFINITIONS

- 1.1 **Certain Defined Terms:** Unless elsewhere defined in this Agreement, the following terms shall have the following meanings (such meanings to be generally applicable to the singular and plural forms of the terms defined):
- 1.1.1 **"Advance":** shall mean an advance to the Borrower under the credit facility(ies) described in Section 2.
  - 1.1.2 **"Business Day":** shall mean a day, other than a Saturday or Sunday, on which commercial banks are open for business in California.
  - 1.1.3 **"Environmental Claims":** shall mean all claims, however asserted, by any governmental authority or other person alleging potential liability or responsibility for violation of any Environmental Law or for Discharge or injury to the environment or threat to public health, personal injury (including sickness, disease or death), property damage, natural resources damage, or otherwise alleging liability or responsibility for damages (punitive or otherwise), cleanup, removal, remedial or response costs, restitution, civil or criminal penalties, injunctive relief, or other type of relief, resulting from or based upon (a) the presence, placement, discharge, emission or release (including intentional and unintentional, negligent and non-negligent, sudden or non-sudden, accidental or non-accidental placement, spills, leaks, Discharges, emissions or releases) of any Hazardous Material at, in, or from property, whether or not owned by the Borrower, or (b) any other circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.
  - 1.1.4 **"Environmental Laws":** shall mean all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any governmental authorities, in each case relating to environmental, health, safety and land use matters; including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Emergency Planning and Community Right-to-Know Act, the California Hazardous Waste Control Law, the California Solid Waste Management, Resource, Recovery and Recycling Act, the California Water Code and the California Health and Safety Code.
  - 1.1.5 **"Environmental Permits":** shall have the meaning provided in Section 4.11 hereof.

- 1.1.6 **"ERISA"**: shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, including (unless the context otherwise requires) any rules or regulations promulgated thereunder.
- 1.1.7 **"Event of Default"**: shall have the meaning set forth in Section 6.
- 1.1.8 **"Expiration Date"**: shall mean July 15, 2009, or the date of termination of the Bank's commitment to lend under this Agreement pursuant to Section 7, whichever shall occur first.
- 1.1.9 **"Hazardous Materials"**: shall mean all those substances which are regulated by, or which may form the basis of liability under, any Environmental Law, including all substances identified under any Environmental Law as a pollutant, contaminant, hazardous waste, hazardous constituent, special waste, hazardous substance, hazardous material, or toxic substance, or petroleum or petroleum derived substance or waste.
- 1.1.10 **"Indebtedness"**: shall mean, with respect to the Borrower, (i) all indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which the Borrower is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which the Borrower otherwise assures a creditor against loss and (ii) obligations under leases which shall have been or should be, in accordance with generally accepted accounting principles, reported as capital leases in respect of which the Borrower is liable, contingently or otherwise, or in respect of which the Borrower otherwise assures a creditor against loss. The word "Indebtedness" also includes expenses incurred by the Bank to enforce obligations of the Borrower under this Agreement, together with interest on such amounts as provided in this Agreement, and all other obligations, debts, and liabilities of the Borrower to the Bank as well as all claims by the Bank against the Borrower that are now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated, whether the Borrower may be liable individually or jointly with others, whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations, and whether such Indebtedness may be or hereafter may become otherwise unenforceable.
- 1.1.11 **"Line Account"**: shall have the meaning provided in Section 2.2 hereof.
- 1.1.12 **"Line of Credit"**: shall mean the credit facility described as such in Section 2.
- 1.1.13 **"Obligations"**: shall mean all amounts owing by the Borrower to the Bank pursuant to this Agreement including, but not limited to, the unpaid principal amount of any loans or advances.
- 1.1.14 **"Ordinary Course of Business"**: shall mean, with respect to any transaction involving the Borrower or any of its subsidiaries or affiliates, the ordinary course of the Borrower's business, as conducted by the Borrower in accordance with past practice and undertaken by the Borrower in good faith and not for the purpose of evading any covenant or restriction in this Agreement or in any other document, instrument or agreement executed in connection herewith.
- 1.1.15 **"Permitted Liens"**: shall mean: (i) liens and security interests securing indebtedness owed by the Borrower to the Bank; (ii) liens for taxes, assessments or similar charges not yet due; (iii) liens of materialmen, mechanics, warehousemen, or carriers or other like liens arising in the Ordinary Course of Business and securing obligations which are not yet delinquent; (iv) purchase money liens or purchase money security interests upon or in any property acquired or held by the Borrower in the Ordinary Course of Business to secure Indebtedness outstanding on the date hereof or permitted to be incurred herein; (v) liens

and security interests which, as of the date hereof, have been disclosed to and approved by the Bank in writing; and (vi) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of the Borrower's assets.

- 1.1.16 **"Prime Rate"**: shall mean an index for a variable interest rate which is quoted, published or announced by Bank as its prime rate and as to which loans may be made by Bank at, above or below such rate.
- 1.1.17 **"Variable Rate Advance"**: shall have the respective meaning as it is defined for each facility under Section 2, hereof.
- 1.1.18 **"Variable Rate"**: shall have the respective meaning as it is defined for each facility under Section 2, hereof.
- 1.2 **Accounting Terms**: All references to financial statements, assets, liabilities, and similar accounting items not specifically defined herein shall mean such financial statements or such items prepared or determined in accordance with generally accepted accounting principles consistently applied and, except where otherwise specified, all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.
- 1.3 **Other Terms**: Other terms not otherwise defined shall have the meanings attributed to such terms in the Uniform Commercial Code as in effect on July 1, 2001 and from time to time thereafter.

## SECTION

### 2

## CREDIT FACILITIES

### 2.1 THE LINE OF CREDIT

- 2.1.1 **The Line of Credit**: On terms and conditions as set forth herein, the Bank agrees to make Advances to the Borrower from time to time from the date hereof to the Expiration Date, provided the aggregate amount of such Advances outstanding at any time does not exceed \$1,000,000.00 (the "Line of Credit"). Within the foregoing limits, the Borrower may borrow, partially or wholly prepay, and reborrow under this Section 2.1. Proceeds of the Line of Credit shall be used to assist with the working capital needs of the Borrower's operations.
- 2.1.2 **Making Line Advances**: Each Advance shall be conclusively deemed to have been made at the request of and for the benefit of the Borrower (i) when credited to any deposit account of the Borrower maintained with the Bank or (ii) when paid in accordance with the Borrower's written instructions. Subject to the requirements of Section 4 and provided such request is made in a timely manner as provided in Section 2.1.5 below, Advances shall be made by the Bank under the Line of Credit.
- 2.1.3 **Repayment**: On the Expiration Date, the Borrower hereby promises and agrees to pay to the Bank in full the aggregate unpaid principal amount of all Advances then outstanding, together with all accrued and unpaid interest thereon.
- 2.1.4 **Interest on Advances**: Interest shall accrue from the date of each Advance under the Line of Credit at a variable rate per annum equivalent to the Prime Rate plus .50% (the "Variable Rate"). Interest shall be adjusted concurrently with any change in the Prime Rate. An Advance based upon the Variable Rate is hereinafter referred to as a "Variable Rate Advance".

Interest shall be computed on the basis of 360 days per year, but charged on the actual number of days elapsed. The Borrower hereby promises and agrees to pay interest in arrears on the 15th calendar day of each month.

If interest is not paid as and when it is due, it shall be added to the principal, become and be treated as a part thereof, and shall thereafter bear like interest.

- 2.1.5 **Notice of Borrowing:** Upon written or telephonic notice which shall be received by the Bank at or before 2:00 p.m. (Pacific time) on a Business Day, the Borrower may borrow under the Line of Credit by requesting a Variable Rate Advance. A Variable Rate Advance may be made on the day notice is received by the Bank, provided however, that if the Bank shall not have received notice at or before 2:00 p.m. on the day such Advance is requested to be made, such Variable Rate Advance may, at the Bank's option, be made on the next Business Day.
- 2.2 **Line Account:** The Bank shall maintain on its books a record of account in which the Bank shall make entries for each Advance and such other debits and credits as shall be appropriate in connection with the credit facilities granted hereunder (the "Line Account"). The Bank shall provide the Borrower with a statement of the Borrower's Line Account, which statement shall be considered to be correct and conclusively binding on the Borrower unless the Borrower notifies the Bank to the contrary within 30 days after the Borrower's receipt of any such statement which it deems to be incorrect.
- 2.3 **Authorization to Charge Account(s):** The Borrower hereby authorizes the Bank to charge, from time to time, against any or all of the Borrower's deposit accounts with the Bank any amount so due under this Agreement, including, but not limited to, account # 745004465 maintained with the Bank. Notwithstanding this authorization, the Borrower shall be in default for nonpayment as provided in this Agreement until and unless the default is cured by payment, whether initiated by the Bank or by the Borrower.
- 2.4 **Payments:** If any payment required to be made by the Borrower hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at then applicable rate during such extension. All payments required to be made hereunder shall be made to the office of the Bank designated for the receipt of notices herein or such other office as Bank shall from time to time designate.
- 2.5 **Late Payment:** In addition to any other rights the Bank may have hereunder, if any payment of principal or interest or any portion thereof, under this Agreement is not paid within 15 days of when due, a late payment charge equal to five percent (5%) of such past due payment may be assessed and shall be immediately payable.

## SECTION

### 3

## CONDITIONS PRECEDENT

- 3.1 **Conditions Precedent to the Initial Extension of Credit:** The obligation of the Bank to make the initial Advance or the first extension of credit to or on account of the Borrower hereunder is subject to the conditions precedent that the Bank shall have received before the date of such initial Advance or such first extension of credit all of the following, in form and substance satisfactory to the Bank:

- (i) **Authority to Borrow.** Evidence that the execution, delivery and performance by the Borrower of this Agreement and any document, instrument or agreement required hereunder have been duly authorized.
- (ii) **Legal Opinion.** A legal opinion of Borrower's counsel in form and substance satisfactory to Bank.
- (iii) **Fees.** Payment of all of the Bank's out-of-pocket expenses in connection with the preparation and negotiation of this Agreement.
- (iv) **Miscellaneous.** Such other evidence as the Bank may request to establish the consummation of the transaction contemplated hereunder and compliance with the conditions of this Agreement.

3.2 **Conditions Precedent to All Extensions of Credit:** The obligation of the Bank to make each Advance or each other extension of credit, as the case may be, to or on account of the Borrower (including the initial Advance or the first extension of credit) shall be subject to the further conditions precedent that, on the date of each Advance or each extension of credit and after the making of such Advance or extension of credit:

- (i) **Reporting Requirements.** The Bank shall have received the documents set forth in Section 5.1.
- (ii) **Subsequent Approvals.** The Bank shall have received such supplemental approvals, opinions or documents as the Bank may reasonably request.
- (iii) **Representations and Warranties.** The representations contained in Section 4 and in any other document, instrument or certificate delivered to the Bank hereunder are true, correct and complete.
- (iv) **Event of Default.** No event has occurred and is continuing which constitutes, or with the lapse of time or giving of notice or both, would constitute an Event of Default.

The Borrower's acceptance of the proceeds of any loan, Advance or extension of credit or the Borrower's execution of any document or instrument evidencing or creating any Obligation hereunder shall be deemed to constitute the Borrower's representation and warranty that all of the above statements are true and correct.

## SECTION

### 4

## REPRESENTATIONS AND WARRANTIES

The Borrower hereby makes the following representations and warranties to the Bank, which representations and warranties are continuing:

- 4.1 **Status:** The Borrower's correct legal name is as stated in this Agreement and the Borrower is a California state agency duly organized and validly existing under the laws of California and with its chief executive office in the state of California and is properly licensed and is qualified to do business and in good standing in, and, where necessary to maintain the Borrower's rights and privileges, has complied with the fictitious name statute of every jurisdiction in which the Borrower is doing business.



- 4.2 **Authority:** The execution, delivery and performance by the Borrower of this Agreement and any instrument, document or agreement required hereunder have been duly authorized and do not and will not: (i) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having application to the Borrower; (ii) result in a breach of or constitute a default under any material indenture or loan or credit agreement or other material agreement, lease or instrument to which the Borrower is a party or by which it or its properties may be bound or affected; or (iii) require any consent or approval of its stockholders or violate any provision of its articles of incorporation or by-laws.
- 4.3 **Legal Effect:** This Agreement constitutes, and any instrument, document or agreement required hereunder when delivered hereunder will constitute, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.
- 4.4 **Fictitious Trade Styles:** There are no fictitious trade styles, fictitious trade names, assumed business names or trade names (defined herein as "Trade Name") used by the Borrower in connection with its business operations. The Borrower shall notify the Bank not less than 30 days prior to effecting any change in the matters described herein or prior to using any other Trade Name at any future date, indicating the Trade Name and State(s) of its use.
- 4.5 **Financial Statements:** All financial statements, information and other data which may have been or which may hereafter be submitted by the Borrower to the Bank are true, accurate and correct and have been or will be prepared in accordance with generally accepted accounting principles consistently applied and accurately represent the financial condition or, as applicable, the other information disclosed therein. Since the most recent submission of such financial information or data to the Bank, the Borrower represents and warrants that no material adverse change in the Borrower's financial condition or operations has occurred which has not been fully disclosed to the Bank in writing.
- 4.6 **Litigation:** Except as have been disclosed to the Bank in writing, there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the Borrower's properties before any court or administrative agency which, if determined adversely to the Borrower, would have a material adverse effect on the Borrower's financial condition or operations or on the Collateral.
- 4.7 **Title to Assets:** The Borrower has good and marketable title to all of its assets (including, but not limited to, the Collateral) and the same are not subject to any security interest, encumbrance, lien or claim of any third person except for Permitted Liens.
- 4.8 **ERISA:** If the Borrower has a pension, profit sharing or retirement plan subject to ERISA, such plan has been and will continue to be funded in accordance with its terms and otherwise complies with and continues to comply with the requirements of ERISA.
- 4.9 **Taxes:** The Borrower has filed all tax returns required to be filed and paid all taxes shown thereon to be due, including interest and penalties, other than such taxes which are currently payable without penalty or interest or those which are being duly contested in good faith.
- 4.10 **Margin Stock.** The proceeds of any loan or advance hereunder will not be used to purchase or carry margin stock as such term is defined under Regulation U of the Board of Governors of the Federal Reserve System.
- 4.11 **Environmental Compliance.** The operations of the Borrower comply, and during the term of this Agreement will at all times comply, in all respects with all Environmental Laws; the Borrower has obtained all licenses, permits, authorizations and registrations required under any Environmental Law ("Environmental Permits") and necessary for its ordinary course operations, all such Environmental Permits are in good standing, and the Borrower is in compliance with all material

terms and conditions of such Environmental Permits; neither the Borrower nor any of its present property or operations is subject to any outstanding written order from or agreement with any governmental authority nor subject to any judicial or docketed administrative proceeding, respecting any Environmental Law, Environmental Claim or Hazardous Material; there are no Hazardous Materials or other conditions or circumstances existing, or arising from operations prior to the date of this Agreement, with respect to any property of the Borrower that would reasonably be expected to give rise to Environmental Claims; provided, however, that with respect to property leased from an unrelated third party, the foregoing representation is made to the best knowledge of the Borrower. In addition, (i) the Borrower does not have any underground storage tanks that are not properly registered or permitted under applicable Environmental Laws, or that are leaking or disposing of Hazardous Materials off-site, and (ii) the Borrower has notified all of their employees of the existence, if any, of any health hazard arising from the conditions of their employment and have met all notification requirements under Title III of CERCLA and all other Environmental Laws.

## SECTION

### 5

## COVENANTS

The Borrower covenants and agrees that, during the term of this Agreement, and so long thereafter as the Borrower is indebted to the Bank under this Agreement, the Borrower will, unless the Bank shall otherwise consent in writing:

- 5.1 **Reporting and Certification Requirements:** Deliver or cause to be delivered to the Bank in form and detail satisfactory to the Bank:
- (i) Not later June 1<sup>st</sup> of each calendar year, a copy of the annual audited financial report of the Borrower for the immediately preceding fiscal year, prepared by a firm of certified public accountants acceptable to Bank and accompanied by an unqualified opinion of such firm.
  - (ii) Not later than 30 days after the end of each fiscal quarter, a copy of the Borrower's financial statement as of the end of such period.
  - (iii) Promptly upon the Bank's request, such other information pertaining to the Borrower, the Collateral or any guarantor hereunder as the Bank may reasonably request.
- 5.2 **Preservation of Existence; Compliance with Applicable Laws:** Maintain and preserve its existence and all rights and privileges now enjoyed; and conduct its business and operations in accordance with all applicable laws, rules and regulations.
- 5.3 **Merge or Consolidate:** Not liquidate or dissolve, merge or consolidate with or into, or acquire any other business organization.
- 5.4 **Maintenance of Insurance:** Maintain insurance in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower operates and maintain such other insurance and coverages as may be required by the Bank. All such insurance shall be in form and amount and with companies satisfactory to the Bank.
- 5.5 **Payment of Obligations and Taxes:** Make timely payment of all assessments and taxes and all of its liabilities and obligations including, but not limited to, trade payables, unless the same are being contested in good faith by appropriate proceedings with the appropriate court or regulatory agency.

For purposes hereof, the Borrower's issuance of a check, draft or similar instrument without delivery to the intended payee shall not constitute payment.

- 5.6 **Depository Relationships:** Maintain its primary business depository relationship with Bank, including general, operating and administrative deposit accounts and cash management services.
- 5.7 **Inspection Rights and Accounting Records:** The Borrower will maintain adequate books and records in accordance with generally accepted accounting principles consistently applied and in a manner otherwise acceptable to Bank, and, at any reasonable time and from time to time, permit the Bank or any representative thereof to examine and make copies of the records and visit the properties of the Borrower and discuss the business and operations of the Borrower with any employee or representative thereof. If the Borrower shall maintain any records (including, but not limited to, computer generated records or computer programs for the generation of such records) in the possession of a third party, the Borrower hereby agrees to notify such third party to permit the Bank free access to such records at all reasonable times and to provide the Bank with copies of any records which it may request, all at the Borrower's expense, the amount of which shall be payable immediately upon demand.
- 5.8 **Transfer Assets:** Not, after the date hereof, sell, contract for sale, convey, transfer, assign, lease or sublet, any of its assets (including, but not limited to, the Collateral) except in the Ordinary Course of Business and, then, only for full, fair and reasonable consideration.
- 5.9 **Change in Nature of Business:** Not make any material change in its financial structure or the nature of its business as existing or conducted as of the date hereof.
- 5.10 **Maintenance of Jurisdiction:** Borrower shall maintain the jurisdiction of its organization and chief executive office, or if applicable, principal residence, as set forth herein and not change such jurisdiction name or form of organization without 30 days prior written notice to Bank.
- 5.11 **Compensation of Employees:** Compensate its employees for services rendered at an hourly rate at least equal to the minimum hourly rate prescribed by any applicable federal or state law or regulation.
- 5.12 **Out-of-Debt:** Not permit to be outstanding any Advances under the Line of Credit for the months of October through March of each calendar year.
- 5.13 **Notice:** Give the Bank prompt written notice of any and all (i) Events of Default; (ii) litigation, arbitration or administrative proceedings to which the Borrower is a party; (iii) other matters which have resulted in, or might result in a material adverse change in the financial condition or business operations of the Borrower.
- 5.14 **Environmental Compliance:** The Borrower shall conduct its operations and keep and maintain all of its property in compliance with all Environmental Laws and, upon the written request of the Bank, the Borrower shall submit to the Bank, at the Borrower's sole cost and expense, at reasonable intervals, a report providing the status of any environmental, health or safety compliance, hazard or liability.

## SECTION

### 6

#### EVENTS OF DEFAULT

Any one or more of the following described events shall constitute an event of default (an "Event of Default") under this Agreement:

- 6.1 **Non-Payment:** Any Borrower shall fail to pay the principal amount of any Obligations when due or interest on the Obligations within 5 days of when due.
- 6.2 **Performance Under This Agreement:** The Borrower shall fail in any material respect to perform or observe any term, covenant or agreement contained in this Agreement or in any document, instrument or agreement relating to this Agreement or any other document or agreement executed by the Borrower with or in favor of Bank and any such failure shall continue unremedied for more than 30 days after written notice from the Bank to the Borrower of the existence and character of such Event of Default.
- 6.3 **Representations and Warranties; Financial Statements:** Any representation or warranty made by the Borrower under or in connection with this Agreement or any financial statement given by the Borrower or any guarantor shall prove to have been incorrect in any material respect when made or given or when deemed to have been made or given.
- 6.4 **Other Agreements:** If there is a default under any agreement to which Borrower is a party with Bank or with a third party or parties resulting in a right by the Bank or by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness.
- 6.5 **Insolvency:** The Borrower or any guarantor shall: (i) become insolvent or be unable to pay its debts as they mature; (ii) make an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its properties and assets; (iii) file a voluntary petition in bankruptcy or seeking reorganization or to effect a plan or other arrangement with creditors; (iv) file an answer admitting the material allegations of an involuntary petition relating to bankruptcy or reorganization or join in any such petition; (v) become or be adjudicated a bankrupt; (vi) apply for or consent to the appointment of, or consent that an order be made, appointing any receiver, custodian or trustee, for itself or any of its properties, assets or businesses; or (vii) in an involuntary proceeding, any receiver, custodian or trustee shall have been appointed for all or substantial part of the Borrower's or guarantor's properties, assets or businesses and shall not be discharged within 30 days after the date of such appointment.
- 6.6 **Execution:** Any writ of execution or attachment or any judgment lien shall be issued against any property of the Borrower and shall not be discharged or bonded against or released within 30 days after the issuance or attachment of such writ or lien.
- 6.7 **Suspension:** The Borrower shall voluntarily suspend the transaction of business or allow to be suspended, terminated, revoked or expired any permit, license or approval of any governmental body necessary to conduct the Borrower's business as now conducted.
- 6.8 **Material Adverse Change:** If there occurs a material adverse change in the Borrower's business or financial condition, or if there is a material impairment of the prospect of repayment of any portion of the Obligations, or if a Borrower who is a natural person shall die.
- 6.9 **Change in Ownership:** There shall occur a sale, transfer, disposition or encumbrance (whether voluntary or involuntary), or an agreement shall be entered into to do so, with respect to more than 10% of the issued and outstanding capital stock of the Borrower.

## SECTION

### 7

#### REMEDIES ON DEFAULT

Upon the occurrence of any Event of Default, the Bank may, at its sole and absolute election, without demand and only upon such notice as may be required by law:

- 7.1 **Acceleration:** Declare any or all of the Borrower's indebtedness owing to the Bank, whether under this Agreement or any other document, instrument or agreement, immediately due and payable, whether or not otherwise due and payable.
- 7.2 **Cease Extending Credit:** Cease making Advances or otherwise extending credit to or for the account of the Borrower under this Agreement or under any other agreement now existing or hereafter entered into between the Borrower and the Bank.
- 7.3 **Termination:** Terminate this Agreement as to any future obligation of the Bank without affecting the Borrower's obligations to the Bank or the Bank's rights and remedies under this Agreement or under any other document, instrument or agreement.
- 7.4 **Non-Exclusivity of Remedies:** Exercise one or more of the Bank's rights set forth herein or seek such other rights or pursue such other remedies as may be provided by law, in equity or in any other agreement now existing or hereafter entered into between the Borrower and the Bank, or otherwise.

## SECTION

### 8

#### MISCELLANEOUS

- 8.1 **Amounts Payable on Demand:** If the Borrower shall fail to pay on demand any amount so payable under this Agreement, the Bank may, at its option and without any obligation to do so and without waiving any default occasioned by the Borrower having so failed to pay such amount, create an Advance under this Agreement in an amount equal to the amount so payable, which Advance shall thereafter bear interest as provided hereunder.
- 8.2 **Default Interest Rate:** If an Event of Default, or an event which, with notice or passage of time could become an Event of Default, has occurred or is continuing, the Borrower shall pay to the Bank interest on any Indebtedness or amount payable under this Agreement at a rate which is 5% in excess of the rate or rates then in effect under this Agreement.
- 8.3 **Right of Setoff:** To the extent permitted by applicable law, Bank reserves a right of setoff in all Borrower's accounts with Bank (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. Borrower authorizes Bank, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Bank's option, to administratively freeze all such accounts to allow Bank to protect Bank's charge and setoff rights provided in this paragraph.
- 8.4 **Reliance and Further Assurances:** Each warranty, representation, covenant, obligation and agreement contained in this Agreement shall be conclusively presumed to have been relied upon by the Bank regardless of any investigation made or information possessed by the Bank and shall be cumulative and in addition to any other warranties, representations, covenants and agreements

which the Borrower now or hereafter shall give, or cause to be given, to the Bank. Borrower agrees to execute all documents and instruments and to perform such acts as the Bank may reasonably deem necessary to confirm and secure to the Bank all rights and remedies conferred upon the Bank by this agreement and all other documents related thereto.

- 8.5 **Attorneys' Fees:** Borrower shall pay to the Bank all costs and expenses, including but not limited to reasonable attorneys fees, incurred by Bank in connection with the administration, enforcement, including any bankruptcy, appeal or the enforcement of any judgment or any refinancing or restructuring of this Agreement or any document, instrument or agreement executed with respect to, evidencing or securing the indebtedness hereunder.
- 8.6 **Notices:** All notices, payments, requests, information and demands which either party hereto may desire, or may be required to give or make to the other party hereto, shall be given or made to such party by hand delivery or through deposit in the United States mail, postage prepaid, or by facsimile delivery, or to such other address as may be specified from time to time in writing by either party to the other.

**To the Borrower:**

CAL EXPO  
1600 Exposition Blvd  
Sacramento, CA 95852  
Attn: Amy Casias

FAX: (916) 263-7983

**To the Bank:**

BANK OF THE WEST  
Sacramento Office (CBC)  
601 "J" Street  
Sacramento, CA 95814  
Attn: Kimberly Key  
Vice President

FAX: (916) 441-0989

- 8.7 **Waiver:** Neither the failure nor delay by the Bank in exercising any right hereunder or under any document, instrument or agreement mentioned herein shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder or under any other document, instrument or agreement mentioned herein preclude other or further exercise thereof or the exercise of any other right; nor shall any waiver of any right or default hereunder, or under any other document, instrument or agreement mentioned herein, constitute a waiver of any other right or default or constitute a waiver of any other default of the same or any other term or provision.
- 8.8 **Conflicting Provisions:** To the extent the provisions contained in this Agreement are inconsistent with those contained in any other document, instrument or agreement executed pursuant hereto, the terms and provisions contained herein shall control. Otherwise, such provisions shall be considered cumulative.
- 8.9 **Binding Effect; Assignment:** This Agreement shall be binding upon and inure to the benefit of the Borrower and the Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Bank. The Bank may sell, assign or grant participation in all or any portion of its rights and benefits hereunder. The Borrower agrees that, in connection with any such sale, grant or assignment, the Bank may deliver to the prospective buyer, participant or assignee financial statements and other relevant information relating to the Borrower and any guarantor.
- 8.10 **Jurisdiction:** This Agreement, any notes issued hereunder, the rights of the parties hereunder to and concerning the Collateral, and any documents, instruments or agreements mentioned or referred to herein shall be governed by and construed according to the laws of the State of California without regard to conflict of law principles, to the jurisdiction of whose courts the parties hereby submit.

8.11 **Waiver Of Jury Trial.** THE BORROWER AND BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, AND THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW EACH PARTY, AFTER CONSULTING (OR HAVING THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION RELATED TO THIS AGREEMENT OR ANY OTHER DOCUMENT, INSTRUMENT OR TRANSACTION BETWEEN THE PARTIES.

8.12 **Judicial Reference Provision.** In the event the above Jury Trial Waiver is unenforceable, the parties elect to proceed under this Judicial Reference Provision. With the exception of the items specified below, any controversy, dispute or claim between the parties relating to this Agreement or any other document, instrument or transaction between the parties (each, a Claim), will be resolved by a reference proceeding in California pursuant to Sections 638 et seq. of the California Code of Civil Procedure, or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to reference. Venue for the reference will be the Superior Court in the County where real property involved in the action, if any, is located, or in a County where venue is otherwise appropriate under law (the Court). The following matters shall not be subject to reference: (i) nonjudicial foreclosure of any security interests in real or personal property, (ii) exercise of self-help remedies (including without limitation set-off), (iii) appointment of a receiver, and (iv) temporary, provisional or ancillary remedies (including without limitation writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). The exercise of, or opposition to, any of the above does not waive the right to a reference hereunder.

The referee shall be selected by agreement of the parties. If the parties do not agree, upon request of any party a referee shall be selected by the Presiding Judge of the Court. The referee shall determine all issues in accordance with existing case law and statutory law of the State of California, including without limitation the rules of evidence applicable to proceedings at law. The referee is empowered to enter equitable and legal relief, and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision, and pursuant to CCP §644 the referee's decision shall be entered by the Court as a judgment or order in the same manner as if tried by the Court. The final judgment or order from any decision or order entered by the referee shall be fully appealable as provided by law. The parties reserve the right to findings of fact, conclusions of law, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial if granted, will be a reference hereunder. AFTER CONSULTING (OR HAVING THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, EACH PARTY AGREES THAT ALL CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT A JURY.

8.13 **Counterparts:** This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

8.14 **Headings:** The headings herein set forth are solely for the purpose of identification and have no legal significance.

8.15 **Entire Agreement and Amendments:** This Agreement and all documents, instruments and agreements mentioned herein constitute the entire and complete understanding of the parties with respect to the transactions contemplated hereunder. All previous conversations, memoranda and writings between the parties pertaining to the transactions contemplated hereunder not incorporated or referenced in this Agreement or in such documents, instruments and agreements are superseded hereby. This Agreement may be amended only by an instrument in writing signed by the Borrower and the Bank.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first hereinabove written.

**BANK:**

**BANK OF THE WEST**

BY: \_\_\_\_\_  
NAME: Kimberly Key, Vice President

**BORROWER:**

**CAL EXPO**

BY: \_\_\_\_\_  
NAME: Norbert J. Bartosik, General Manager/CEO



## LOAN DISBURSEMENT INSTRUCTIONS

### Line of Credit

Date: October 15, 2008

The undersigned hereby instructs BANK OF THE WEST to disburse the proceeds of this loan as shown below:

DISBURSEMENT	AMOUNT
<b>Paid directly to the Borrower as follows:</b> Advances will be disbursed in accordance with the instructions received from Amy Casias at the time of each Advance.	\$_____
	=====
<b>TOTAL:</b>	\$_____

(Authorizing signatures appear on attached page entitled  
"AUTHORIZING SIGNATURES FOR LOAN DISBURSEMENT INSTRUCTIONS")

## **AUTHORIZING SIGNATURES FOR LOAN DISBURSEMENT INSTRUCTIONS**

The following signature(s) authorize disbursement of loan proceeds as set forth in the preceding instructions consisting of 1 page(s).

**BORROWER:**

**CAL EXPO**

BY: \_\_\_\_\_  
NAME: Norbert J. Bartosik, General Manager/CEO

State of California

California Exposition & State Fair  
1600 Exposition Boulevard  
Sacramento, CA 95815  
Tel: (916) 263-3018  
Fax: (916) 263-7983  
E-mail: [acacias@calexpo.com](mailto:acacias@calexpo.com)

## MEMORANDUM

**Date:** October 16, 2008

**To:** Board of Directors  
California Exposition & State Fair

**Via:** Norbert J. Bartosik, General Manager/CEO  
California Exposition & State Fair

**From:** Amy Casias, Accounting & Finance Manager  
California Exposition & State Fair

**Subject:** Revision to Policy & Procedures Manual

The following revision is to **Section 16.8 – Computer Usage Policy**

### *Current:*

The California Exposition & State Fair (Cal Expo) provides, at its discretion, employees with personal computers. Employees' primary use of these systems must be for business use for Cal Expo. Some limited and reasonable personal use may be allowed subject to the guidelines below:

- Employees assigned a personal computer agree to care for the system in a professional and responsible manner to avoid damage and theft.
- Excessive personal use of a Cal Expo computer is prohibited, including but not limited to the use of instant messaging, chat rooms and newsgroups.
- Cal Expo prohibits the conduct of business not directly related or attributable to Cal Expo on any Cal Expo personal Computer.
- Cal Expo absolutely prohibits the use of any Cal Expo personal computer for the storage, viewing, downloading, uploading, or receipt or distribution of pornographic and/or other offensive material as defined in other parts of this Guide.
- Cal Expo requires that employees assigned personal computers follow all security precautions to safeguard the information contained on the computer, including maintaining as strictly confidential all passwords or access codes assigned or used. The assignment or use of passwords or access codes for computer or other information systems use, however, is for Cal Expo security purposes and is not intended and should not be construed as conferring any right to privacy for an employee with respect to information stored on the computer or in Cal Expo's information systems. Cal Expo reserves the right at any time and for any reason to

delete, override, or substitute any computer or information systems password or access code assigned to or created by an employee.

- Cal Expo is not required to maintain, copy, or transfer personal information on a Cal Expo computer upon termination of employment.
- This policy applies to all regular full-time and part-time employees, including seasonal employees, temporary agency employees, volunteers and interns.

Violations of any of the above guidelines may result in disciplinary action, up to and including termination.

***Proposed:***

The California Exposition & State Fair (Cal Expo) provides, at its discretion, employees with personal computers. Employees' primary use of these systems must be for business use for Cal Expo. Some limited and reasonable personal use may be allowed subject to the guidelines below:

- Employees assigned a personal computer agree to care for the system in a professional and responsible manner to avoid damage and theft.
- Excessive personal use of a Cal Expo computer is prohibited, including but not limited to the use of instant messaging, chat rooms and newsgroups.
- Cal Expo prohibits the conduct of business not directly related or attributable to Cal Expo on any Cal Expo personal Computer.
- Cal Expo absolutely prohibits the use of any Cal Expo personal computer for the storage, viewing, downloading, uploading, or receipt or distribution of pornographic and/or other offensive material as defined in other parts of this Guide.
- Cal Expo requires that employees assigned personal computers follow all security precautions to safeguard the information contained on the computer, including maintaining as strictly confidential all passwords or access codes assigned or used. The assignment or use of passwords or access codes for computer or other information systems use, however, is for Cal Expo security purposes and is not intended and should not be construed as conferring any right to privacy for an employee with respect to information stored on the computer or in Cal Expo's information systems. Cal Expo reserves the right at any time and for any reason to delete, override, or substitute any computer or information systems password or access code assigned to or created by an employee.
- Passwords must be at least 6 characters in length, be alphanumeric and contain at least one non-alphanumeric character. Passwords expire after 30 days. Passwords can be used again after 10 unique new passwords have been associated with a user account.
- Cal Expo is not required to maintain, copy, or transfer personal information on a Cal Expo computer upon termination of employment.
- This policy applies to all regular full-time and part-time employees, including seasonal employees, temporary agency employees, volunteers and interns.

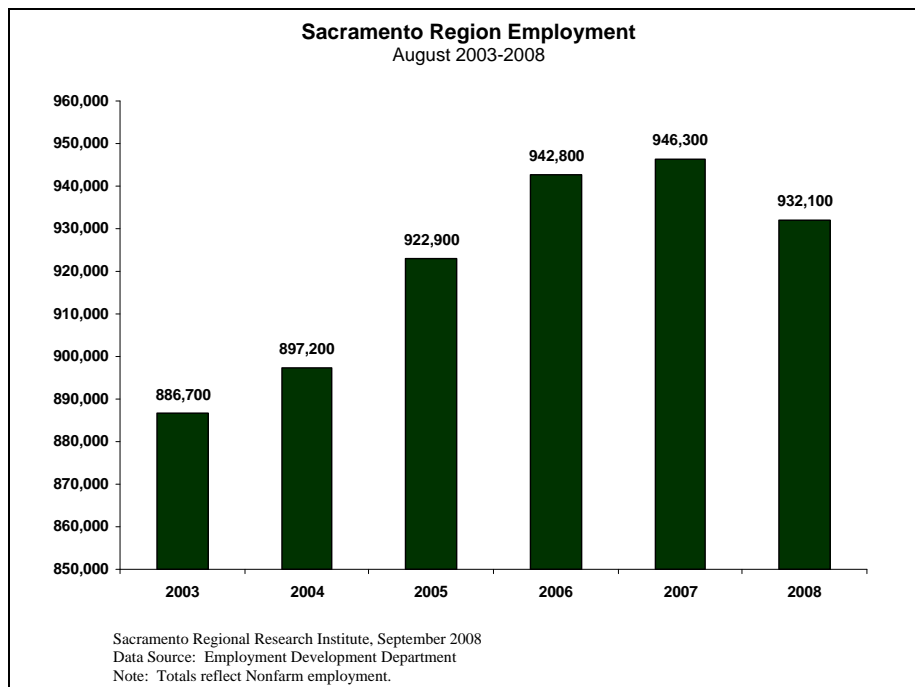
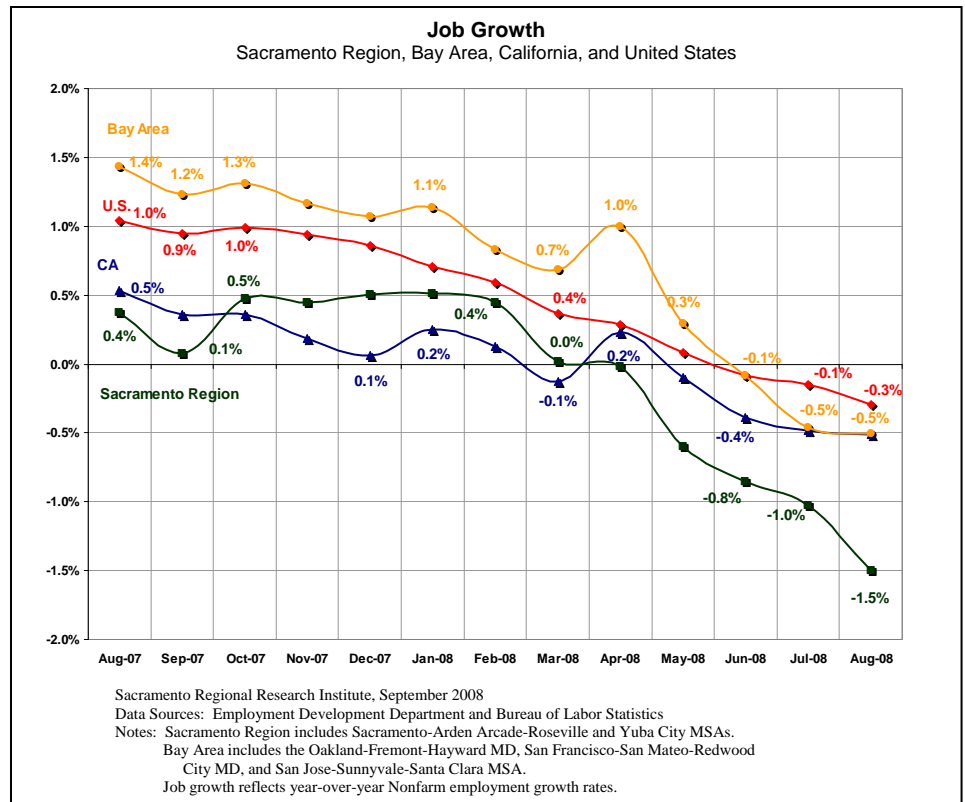
Violations of any of the above guidelines may result in disciplinary action, up to and including termination.

### EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

*Negative job growth in the Sacramento Region became more severe in August 2008.*

Job growth in the six-county Sacramento Region sunk further into negative territory in August 2008. Preliminary data demonstrate that the Region posted -1.5 percent job growth with a year-over-year loss of 14,200 jobs. All of Sacramento's major sectors have slowed notably since the beginning of 2008 with the majority now shedding jobs. Among the larger sectors, Government and Leisure & Hospitality have experienced the greatest slowdowns during this time. The Region has fallen behind the statewide and national averages since April 2008—this gap has increased considerably in recent months as declines have become more severe. In fact, 1992 was the last time job growth in the Sacramento Region tracked at a similarly weak level.

The state has shown year-over-year job losses in the last four months, posting losses at rates greater than the national average. During the 12 months ending August 2008, California lost 77,700 jobs with an employment growth rate of -0.5 percent. The nation's job growth has been in negative territory for the past three months, despite a lengthy pattern of deteriorating conditions in other economic indicators. Between August 2007 and 2008, the nation posted -0.3 percent job growth, equating to a decline of 403,000 jobs.



The Bay Area has also experienced negative job growth since June 2008. This is the first time the Bay Area has seen overall job losses since 2004 when it was in the midst of the lengthy recovery from the dot-com bust. In the past two months, the Bay Area dropped below the national average while staying level with the state. The Bay Area lost 14,800 jobs in the last year, reflecting job growth of -0.5 percent. Job growth for every major sector in the Bay Area has slowed since January 2008 with Construction and Government seeing the most significant drop-offs among the larger sectors.

*With Government shifting to negative growth, seven of the Sacramento Region's major sectors are now shedding jobs.*

Job losses in the Sacramento Region's economy became more widespread in August 2008 with seven sectors now shedding jobs on a year-over-year basis. After helping to boost the Region's job growth for some time, the Government sector shifted into negative growth likely as a result of the recent layoffs at the state level and continued budget pressures at the local level. Construction and Trade, Transportation, & Utilities posted the largest job losses, totaling 9,400 jobs. Only three sectors added jobs in Sacramento between August 2007 and 2008, including Educational & Health Services; Professional & Business Services; and Other Services. However, combined, these three sectors only added 4,300 jobs to payrolls in the Sacramento Region in the last year (less than the individual Construction sector losses).

The state is seeing job losses in six of the 11 major sectors. Construction and Financial Activities continue to post the most pronounced losses at the statewide level, dropping 120,000 jobs in the last 12 months. Government remains in positive territory and tops the list of job gains along with Educational & Health Services, adding a total of 77,900 jobs between August 2007 and 2008.

In the Bay Area, job losses have also spread to six major sectors as the overall economy has slowed in recent months. Like the state, significant losses have occurred in the Construction and Financial Activities sectors (a total decrease of 14,400 jobs). Similar to the Sacramento Region, the greatest gains are within the Bay Area's Educational & Health Services and Professional & Business Services sectors (adding a combined 7,300 jobs in the last 12 months).

## Major Sector Employment Gains and Losses Sacramento Region, California, and Bay Area

Sector	August 2007-2008		
	Sacramento Region	California	Bay Area
Total Nonfarm	-14,200	-77,700	-14,800
Private Sector	-13,000	-104,000	-14,400
Public Sector	-1,200	26,300	-400
Edu. & Health Svcs.	2,600	51,600	3,800
Prof. & Business Svcs.	1,400	3,700	3,500
Other Services	300	-900	200
Nat. Res. & Mining	0	800	100
Information	-700	-7,200	-500
Government	-1,200	26,300	-400
Manufacturing	-1,700	-27,100	-900
Financial Activities	-2,500	-34,500	-6,500
Leisure & Hospitality	-3,000	14,400	100
Trade, Trans., & Util.	-3,500	-19,300	-6,300
Construction	-5,900	-85,500	-7,900

Sacramento Regional Research Institute, September 2008  
Data Source: Employment Development Department

## Employment Gains and Losses Components of Sacramento Region and Bay Area

Area	August 2007-2008	
	Absolute	Rate
Sacramento Region	-14,200	-1.5%
Yuba City MSA	-3,000	-7.1%
Sacramento-Arden Arcade-Roseville MSA	-11,200	-1.2%
Bay Area	-14,800	-0.5%
San Francisco-San Mateo-Redwood City Div.	6,100	0.6%
San Jose-Sunnyvale-Santa Clara MSA	-1,500	-0.2%
Oakland-Fremont-Hayward Div.	-19,400	-1.9%

Sacramento Regional Research Institute, September 2008  
Data Source: Employment Development Department  
Note: Gains and losses reflect Nonfarm employment.

The Sacramento Region's two sub-markets are both posting year-over-year job losses. With a tremendously high negative employment growth rate (-7.1 percent), the Yuba City Metropolitan Statistical Area (MSA—Sutter and Yuba Counties) lost 3,000 jobs in the past year. Only Educational & Health Services added jobs in this MSA while Construction posted the greatest declines. The much larger Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties) experienced -1.2 percent job growth between August 2007 and 2008, losing 11,200 jobs. The same two sectors as in the Yuba City MSA were the best and worst performing in this sub-market.

The Bay Area's economy would be much worse off if not for the San Francisco-San Mateo-Redwood City Metropolitan Division (MD—Marin, San Francisco, and San Mateo Counties). This was the only one among

the three sub-markets that added jobs in the 12 months ending August 2008—it posted 0.6 percent job growth equating to an increase of 6,100 jobs. Professional & Business Services added the most jobs in this MD while Trade, Transportation, & Utilities saw the greatest loss. The San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) experienced a modest loss of 1,500 jobs with -0.2 percent job growth in August 2008. The Silicon Valley's Educational & Health Services was the strongest sector and Construction was the weakest in the last year. The Oakland-Fremont-Hayward MD (Alameda and Contra Costa Counties) is one of the poorest performing major economic regions in Northern California. In the last year the East Bay shed 19,400 jobs with -1.9 percent job growth. Similar to the Silicon Valley, Educational & Health Services added the most jobs while Construction lost the greatest amount.

*Economy Watch* is sponsored by the following businesses who believe in ensuring the prosperity of the Sacramento Region:

DPR Construction, Inc. ([www.dprinc.com](http://www.dprinc.com)); Farmers & Merchants Bancorp / F&M Bank ([www.fmbonline.com](http://www.fmbonline.com)); Franklin Templeton Investor Services, LLC ([www.franklintempleton.com](http://www.franklintempleton.com)); Grubb & Ellis Company ([www.grubb-ellis.com](http://www.grubb-ellis.com)); HMM Builders, Inc. ([www.hmh.com](http://www.hmh.com)); KCRA TV – Channel 3 / KQCA – Channel 58 ([www.thekcrachannel.com](http://www.thekcrachannel.com)); KT Communities ([www.ktcommunities.com](http://www.ktcommunities.com)); McDonough Holland & Allen PC ([www.mhalaw.com](http://www.mhalaw.com)); Pacific Coast Building Products, Inc. ([www.paccoast.com](http://www.paccoast.com)); Panattoni Development Company ([www.panattoni.com](http://www.panattoni.com)); Perry-Smith LLP ([www.perry-smith.com](http://www.perry-smith.com)); Raley's ([www.raleys.com](http://www.raleys.com)); Signature Reprographics ([www.signaturerepro.com](http://www.signaturerepro.com)); Teichert, Inc. ([www.teichert.com](http://www.teichert.com)); The Evergreen Company; The Sacramento Bee ([www.sacbee.com](http://www.sacbee.com)); Trainor Fairbrook ([www.trainorfairbrook.com](http://www.trainorfairbrook.com)); and Wells Fargo Bank ([www.wellsfargo.com](http://www.wellsfargo.com)).

The **Sacramento Regional Research Institute** (SRRI) is a joint venture of the Sacramento Area Commerce and Trade Organization (SACTO) and California State University, Sacramento (Sacramento State). SRRI provides a full range of objective economic and demographic research services to businesses, government entities, educational institutions, and non-profit organizations. For more information, visit SRRI's web site at [www.srri.net](http://www.srri.net) or contact SRRI by mail at 400 Capitol Mall, Suite 2500, Sacramento, CA 95814; by phone at (916) 491-0444; or by e-mail at [srri@srri.net](mailto:srri@srri.net). This edition of *Economy Watch* was produced by Ryan Sharp, SRRI Director.





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## Economy at a Glance

Western FONT SIZE: PRINT:

## BROWSE EAG

U.S. ECONOMY

CENSUS REGIONS

ABOUT THE DATA

## BROWSE ALL STATES

ALABAMA

ALASKA

ARIZONA

ARKANSAS

CALIFORNIA

COLORADO

CONNECTICUT

DELAWARE

D.C.

FLORIDA

GEORGIA

HAWAII

IDAHO

ILLINOIS

INDIANA

IOWA

KANSAS

KENTUCKY

LOUISIANA

MAINE

MARYLAND

MASSACHUSETTS

MICHIGAN

MINNESOTA

MISSISSIPPI

MISSOURI

MONTANA

NEBRASKA

NEVADA

NEW HAMPSHIRE

NEW JERSEY

NEW MEXICO

NEW YORK

NORTH CAROLINA

NORTH DAKOTA

OHIO

OKLAHOMA

OREGON

PENNSYLVANIA

PUERTO RICO

## Sacramento--Arden-Arcade--Roseville, CA

## Sacramento--Arden-Arcade--Roseville, CA

Data Series	Back Data	Mar 2008	Apr 2008	May 2008	June 2008	July 2008	Aug 2008
<b>Labor Force Data</b>							
Civilian Labor Force (1)		1,069.1	1,064.6	1,069.6	1,076.8	1,079.8	(P) 1,077.3
Employment (1)		999.9	1,000.0	1,001.0	1,003.3	1,001.8	(P) 997.5
Unemployment (1)		69.2	64.6	68.6	73.5	78.0	(P) 79.8
Unemployment Rate (2)		6.5	6.1	6.4	6.8	7.2	(P) 7.4
<b>Nonfarm Wage and Salary Employment</b>							
Total Nonfarm (3)		903.2	901.1	902.8	904.7	897.5	(P) 893.0
12-month % change		0.0	0.1	-0.4	-0.7	-0.8	(P) -1.2
Natural Resources and Mining (3)		0.7	0.7	0.7	0.8	0.8	(P) 0.8
12-month % change		16.7	16.7	0.0	14.3	0.0	(P) 0.0
Construction (3)		62.0	62.0	62.4	64.0	64.5	(P) 65.0
12-month % change		-7.5	-7.2	-9.7	-8.7	-7.3	(P) -7.0
Manufacturing (3)		39.7	39.6	39.5	39.3	39.0	(P) 39.6
12-month % change		-2.9	-2.7	-3.7	-4.8	-4.4	(P) -3.2
Trade, Transportation, and Utilities (3)		150.4	150.4	150.6	151.3	151.2	(P) 150.4
12-month % change		-1.1	-0.5	-0.9	-0.7	-1.2	(P) -1.6
Information (3)		20.1	20.0	19.9	19.9	19.6	(P) 19.6
12-month % change		-1.5	-0.5	-2.0	-1.0	-3.4	(P) -3.4
Financial Activities (3)		61.3	60.9	60.6	60.6	60.5	(P) 60.3
12-month % change		-2.4	-3.2	-3.2	-3.2	-3.8	(P) -4.0
Professional and Business Services (3)		112.0	112.6	112.6	113.5	113.0	(P) 113.6
12-month % change		1.1	1.2	1.4	1.3	0.8	(P) 1.2
Education and Health Services (3)		99.6	99.6	100.0	99.5	99.0	(P) 98.5
12-month % change		3.1	3.3	2.6	3.1	2.4	(P) 2.6
Leisure and Hospitality (3)		87.5	86.2	85.6	86.3	85.7	(P) 85.4
12-month % change		0.3	0.5	-0.5	-1.4	-3.3	(P) -3.2
Other Services (3)		29.2	29.0	29.4	29.6	29.6	(P) 29.5
12-month % change		2.5	2.1	1.7	2.1	2.4	(P) 1.0
Government (3)		240.7	240.1	241.5	239.9	234.6	(P) 230.3
12-month % change		2.0	1.7	1.6	0.4	1.4	(P) -0.3

## Footnotes

(1) Number of persons, in thousands, not seasonally adjusted.

(2) In percent, not seasonally adjusted.

(3) Number of jobs, in thousands, not seasonally adjusted. See [About the data](#).

(P) Preliminary

Data extracted on: October 16, 2008

MI 3

Source: U. S. Bureau of Labor Statistics



RHODE ISLAND  
SOUTH CAROLINA  
SOUTH DAKOTA  
TENNESSEE  
TEXAS  
UTAH  
VERMONT  
VIRGIN ISLANDS  
VIRGINIA  
WASHINGTON  
WEST VIRGINIA  
WISCONSIN  
WYOMING

**Note:** More data series, including additional geographic areas, are available through the "[Databases & Tables](#)" tab at the top of this page.

### Geographically based survey data available from BLS:

#### Employment & Unemployment

- » [Employment, Hours, and Earnings from the CES survey \(State and Area\)](#)
- » [Local Area Unemployment Statistics](#)
- » [Create Customized Maps -- Unemployment Rates](#)
- » [Quarterly Census of Employment and Wages](#)
- » [Mass Layoff Statistics](#)
- » [Occupational Employment Statistics](#)
- » [Geographic Profile](#)

#### Prices & Living Conditions

- » [Consumer Price Index](#)
- » [Consumer Expenditure Survey](#)

#### Compensation & Working Conditions

- » [National Compensation Survey](#)
- » [Employment Cost Index](#)
- » [Injuries, Illnesses, and Fatalities](#)

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U.S. Bureau of Labor Statistics Western Information Office Attn: EA & I

P.O. Box 193766, San Francisco, CA 94119-3766

<http://www.bls.gov/RO9/> | Telephone: (415) 625-2270 | Fax: (415) 625-2351 Do you have a **Western Region (RO9)** data question?

MI 4





# CAL EXPO

**CALIFORNIA EXPOSITION & STATE FAIR  
2009 BOARD OF DIRECTORS  
BOARD MEETINGS\*  
(4<sup>th</sup> Friday)**

**PROPOSED**

January 23

February 27

March 27

April 24

May 22

June 26

July 24

August 21 – September 7  
**(CALIFORNIA STATE FAIR)**

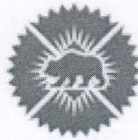
September 24-25  
Retreat & Meeting

October 23

December 11

MI 5

**\* DATES SUBJECT TO CHANGE**



# CAL EXPO

**CALIFORNIA EXPOSITION & STATE FAIR  
2009 BOARD OF DIRECTORS  
BOARD MEETINGS\*  
(5<sup>th</sup> Friday)**

**PROPOSED**

January 30

February 27

March 27

April 24

May 29

June 26

July 31

August 21 – September 7  
**(CALIFORNIA STATE FAIR)**

September 24-25  
Retreat & Meeting

October 30

December 11

MI 6

**\* DATES SUBJECT TO CHANGE**